

FINAL TERMS

14th November, 2008

CITIGROUP GLOBAL MARKETS HOLDINGS INC.

**Issue of up to 20,000,000 India Participation Certificates linked to the ordinary shares of Opto Circuits India Limited to be consolidated and form a single Series with the issue of up to 11,000,000 India Participation Certificates linked to the ordinary shares of Opto Circuits India Limited issued on 11 November, 2005
(the Warrants)
under the Warrant Programme**

Notwithstanding anything to the contrary in these Final Terms or the Base Prospectus (as defined below), all persons may disclose to any and all persons, without limitation of any kind, the United States federal, state and local tax treatment of the Warrants, any fact relevant to understanding the United States federal, state and local tax treatment of the Warrants, and all materials of any kind (including opinions or other tax analyses) relating to such United States federal, state and local tax treatment other than the names of the parties or any other person named herein, or information that would permit identification of the parties or other non-public business or financial information that is unrelated to the United States federal, state or local tax treatment of the Warrants with respect to such person and is not relevant to understanding the United States federal, state or local tax treatment of the Warrants with respect to such person.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Memorandum dated 25th May (the **Offering Memorandum**), 2004. This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 15th February, 2008 (the **Base Prospectus**), as supplemented by a Supplemental Prospectus (the **Supplemental Prospectus**), dated 3rd July, 2008 (the Supplemental Prospectus together with the Base Prospectus, the **Prospectus**) which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Memorandum and are attached hereto at Schedule 4. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms, the Conditions set forth in the Offering Memorandum and the Prospectus (excluding the Conditions of the Warrants contained therein). Copies of such documents are available for viewing at the specified offices of the Managers and the Warrant Agents in Frankfurt am Main and Luxembourg. Such documents will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

References in the Conditions to "Pricing Supplement" shall be deemed to be references to these Final Terms.

The Indian government imposes upon foreign institutional investors in India, such as Citigroup Global Markets Limited, certain restrictions in connection with their investment in the Indian securities and derivatives market and in their transactions with counterparties. In particular, the Indian government requires such foreign institutional investors to comply with certain know-your-client obligations. In order to fulfil these obligations, certain acknowledgements, representations, warranties and undertakings are required from the Warrantholder in connection with any transaction with the

Warrantholder in respect of any Warrants. Accordingly, by the purchase of any Warrant, each Warrantholder will be deemed to represent, warrant, undertake and agree that (or if any Warrantholder is a broker-dealer acting on behalf of a client or other professional fiduciary acting on behalf of a discretionary or similar account held for the benefit or account of a client, such Warrantholder will be deemed to represent, warrant and undertake that such client has confirmed to such Warrantholder that such client acknowledges, represents, warrants, agrees and undertakes that):

- (a) it consents to the provision by the Issuer to any Indian governmental or regulatory authority of any information regarding it and its purchase of the Warrants as required under applicable Indian regulations and/or as requested by any Indian governmental or regulatory authority;
- (b) it further agrees to provide to the Issuer and the Manager or directly to any Indian governmental or regulatory authority such additional information that the Issuer and the Manager and/or the regulatory authority deems necessary or appropriate in order for the Issuer and the Manager to comply with any such regulations and/or requests;
- (c) the Warrants are not purchased for the benefit or account of, or pursuant to or in connection with any back-to-back transaction with, (i) a Person Resident in India as the term is used in the Foreign Exchange Management Act, 1999, or (ii) a "Non-Resident Indian", a "Person of Indian Origin" or an "Overseas Corporate Body", as such terms are used in the Foreign Exchange Management (Deposit) Regulations 2000 as notified by the Reserve Bank of India or (iii) any entity or person that is not regulated (as such term is used in the Securities and Exchange Board of India (Foreign Institutional Investors Amendment) Regulations, 2004) (each, a Restricted Entity);
- (d) it is not a Restricted Entity;
- (e) it will not, directly or indirectly, sell, transfer, assign, novate or otherwise dispose of the Warrants to or for the benefit or account of any Restricted Entity; and
- (f) if it sells, transfers, assigns, novates, or otherwise disposes of the Warrants to a transferee, it will obtain from the transferee the same representations, warranties, undertakings and agreements set out in paragraphs (a) to (e) above and in this paragraph (f).

References herein to numbered Conditions are to the terms and conditions of the Warrants and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save where otherwise expressly provided.

- 1. (a) Series Number: 2004-457.
(b) Consolidation: The Warrants are to be consolidated and form a single Series with the issue of up to 11,000,000 India Participation Certificates linked to the ordinary shares of Opto Circuits India Limited issued on 11 November 2005 (the **Original Warrant**).
- 2. Type of Warrant: The Warrants are Share Warrants linked to the ordinary shares of Opto Circuits India Limited which are represented by a Combined Global Warrant as further described herein.
- 3. Exercise Style: The Warrants are American Style Warrants.

4. Call/Put Warrants: The Warrants are Call Warrants.
5. (a) Number of Warrants being issued: The number of Warrants being issued is up to 20,000,000. The number of Warrants issued on the Issue Date is 3,000,000.
- (b) Total Number of Warrants: The total number of Warrants is up to 31,000,000. The total number of Warrants in issue on the Issue Date is 14,000,000.
- (c) Warrants issued: Of the Original Warrants, all 11,000,000 Warrants are in issue as of the Issue Date.
6. Issue Price: The issue price per Warrant on the Issue Date is U.S.\$1.97.
7. Exercise Price: The exercise price per Warrant (which may be subject to adjustment in accordance with Condition 15(B)) is U.S.\$ 0.00001.
8. Issue Date: The issue date of the Warrants is 14th November, 2008.
9. Exercise Period: The exercise period in respect of the Warrants is from and including 14th November, 2005 to and including 24th October, 2012.
10. Automatic Exercise: Automatic Exercise applies.
11. Averaging: Averaging does not apply to the Warrants.
12. Business Day Centre(s): The applicable Business Day Centres for the purposes of the definition of Business Day in Condition 3 are Hong Kong, London, New York City and Mumbai.
13. Settlement Date:
- (i) In relation to Cash Settled Warrants, the Settlement Date for such Warrants is three Business Days after the final Scheduled Trading Day of the relevant Valuation Period (as defined in paragraph 26 below).
- (ii) In relation to Physical Delivery Warrants, the Settlement Date for such Warrants is three Settlement Business Days after the Actual Exercise Date.
- Settlement Business Day** for the purposes of Condition 4(C)(ii) and Condition 5(F) means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Hong Kong, London and Mumbai.
14. Settlement: Settlement will be by way of cash payment (**Cash Settled Warrants and Cash Settlement**) or physical delivery

(Physical Delivery Warrants and Physical Delivery), at the option of the Warrantholder, but subject as provided below.

In order to exercise a Warrant, the holder must deliver in accordance with Condition 5 an Exercise Notice in the form attached in Schedule 2 hereto.

In the event that a Warrantholder elects Physical Delivery then for the purposes of the provisions of Condition 4(A)(i), the Actual Exercise Date for such Physical Delivery Warrants shall be deemed to be the fifth Business Day following the Business Day during the Exercise Period on which such Exercise Notice is deemed delivered in accordance with Condition 4(A)(i) Provided That a Warrantholder may only select Physical Delivery if the Business Day during the Exercise Period on which such Exercise Notice is deemed delivered in accordance with Condition 4(A)(i) is five or more Business Days prior to the Expiration Date and any Exercise Notice deemed so delivered after such date shall be deemed to be a Cash Settled Warrant as shall any Warrant automatically exercised on the Expiration Date.

Warrantholders should note that the Issuer has the option to substitute assets or pay the Alternate Cash Settlement Amount pursuant to Condition 4(F).

If a Warrantholder elects Physical Delivery, it is possible that the Relevant Asset or the Substitute Asset, if applicable, delivered pursuant to such election may be subject to transfer restrictions and additional certifications may be required from the Warrantholder to be delivered to Euroclear or Clearstream, Luxembourg as applicable or as the Issuer may otherwise require.

AS AT THE ISSUE DATE, SECURITIES REGULATIONS WITHIN THE REPUBLIC OF INDIA (INDIA) MAY NOT PERMIT PHYSICAL DELIVERY BY THE ISSUER OF THE ENTITLEMENT TO WARRANTHOLDERS, WHETHER WITHIN INDIA OR ELSEWHERE. IT IS A CONDITION PRECEDENT TO THE ELECTION BY A WARRANTHOLDER OF THE PHYSICAL DELIVERY OPTION THAT, IN THE SOLE AND ABSOLUTE DISCRETION OF THE CALCULATION AGENT, THE RELEVANT REGULATIONS PERMIT SUCH PHYSICAL DELIVERY.

IN THE EVENT THAT A WARRANTHOLDER ELECTS PHYSICAL DELIVERY BUT, IN THE

SOLE DISCRETION OF THE CALCULATION AGENT, THE RELEVANT REGULATIONS DO NOT PERMIT SUCH PHYSICAL DELIVERY, THE WARRANTS SHALL BE DEEMED TO BE CASH SETTLED WARRANTS AND THE RELEVANT WARRANTHOLDER SHALL BE DEEMED TO HAVE SELECTED CASH SETTLEMENT.

15. Variation of Settlement:
Variation of Settlement of
Physical Delivery Warrants: The provisions of Condition 4(E)(ii) will not apply to the Warrants.
16. Settlement Disruption Event: The definition of Settlement Disruption Event set out in Condition 4(C)(ii) shall be deleted and the following substituted therefor:
- "Settlement Disruption Event** means, in the sole and absolute discretion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Entitlement using the method specified by the Warrantholder in the Exercise Notice and shall include, but shall not be limited to, (i) a failure by the Warrantholder to obtain any requisite approval from the applicable regulatory authorities necessary for Physical Delivery and (ii) the Issuer not being able to effect Physical Delivery of the Entitlement due to US Securities law issues or otherwise."
17. Exchange Rate: The applicable rate of exchange for conversion of any amount into the relevant Settlement Currency for the purposes of determining the Settlement Price (as defined in paragraph 26 below) shall be the mid Indian rupee (INR)/U.S.\$ exchange rate quoted on Reuters page "INR=IN" (or such other page or service that may replace Reuters page "INR=IN" for the purpose of displaying the mid INR/U.S.\$ exchange rate) at 3.45 p.m. (Mumbai time) on the final Scheduled Trading Day of the relevant Valuation Period (expressed as the number of INR (or part thereof) for which one U.S. dollar can be exchanged), as determined by the Calculation Agent, Provided That if the Exchange Rate cannot be determined as aforesaid, it shall be determined by the Calculation Agent by reference to such sources as it deems appropriate.
18. Settlement Currency: The settlement currency for the payment of the Cash Settlement Amount, any Dividend, any Disruption Cash Settlement Price or any Failure to Deliver Settlement Price and/or any other amount payable pursuant to the Conditions, is United States dollars (U.S.\$ or U.S. dollars), but subject as provided in Schedule 1, paragraph 2(a) (Adjustment Provisions – Currency, Cross Border and Other Restrictions).

19. Calculation Agent: The Calculation Agent is Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.
20. Exchange(s): For the purposes of Condition 3 and Condition 15(B), the relevant Exchanges are The National Stock Exchange of India Limited and The Stock Exchange, Mumbai.
21. Relevant Asset(s): The relevant asset to which the Warrants relate is an ordinary share (a **Share**) of par value INR 10 of Opto Circuits India Limited (the **Share Company**).
22. Entitlement: The Entitlement (as defined in Condition 3) in relation to each Warrant is an amount of the Relevant Asset equal to one Share.
23. Evidence of Entitlement: The Entitlement will be evidenced in the manner notified by the Warrantholder in the relevant Exercise Notice.
24. Delivery of Entitlement: The Entitlement will be delivered in the manner notified by the Warrantholder to the Issuer in the relevant Exercise Notice.
- If a Warrantholder elects Physical Delivery, any Additional Costs incurred by the Calculation Agent on behalf of the Issuer in purchasing Shares in order to make delivery of the Entitlement to the relevant Warrantholder shall be borne by such Warrantholder and delivery of the Entitlement shall be subject to payment of such Additional Costs by such Warrantholder.
- Additional Costs** means costs imposed on the Calculation Agent due to local restrictions on the purchase and sale of Shares by foreign investors.
25. Minimum Exercise Number: In relation to any Physical Delivery Warrants, where the Calculation Agent determines that it is customary market practice that the Entitlements are only sold in minimum numbers or integral multiples thereof, then such Warrants must be exercised in such minimum amounts or in such integral multiples thereof as shall allow such customary market practice to be followed and if Physical Delivery in relation to any such exercise would not allow such customary market practice to be followed, then such Warrants (or such number thereof, as the case may be) shall be deemed to be Cash Settled Warrants and the relevant Warrantholder shall be deemed to have selected Cash Settlement.
26. Settlement Price: In relation to an Actual Exercise Date and the Warrants exercised on such date, the Settlement Price will be an amount calculated by the Calculation Agent in accordance with the following formula:

$$A \times \frac{C}{B},$$

Where:

A means 99.5 per cent.;

B means the Exchange Rate; and

C means the average price per Share arising from the sale by the Calculation Agent of the Sold Shares and where the Sold Shares are sold, at the option of the Calculation Agent, on either or both Exchange(s) in such numbers of the Shares and at such times on the First Valuation Date, subject as provided below, as the Calculation Agent in its commercially reasonable judgement determines

Provided That, the Calculation Agent shall have the discretion not to sell on either or both Exchange(s) all or any of the Sold Shares on the First Valuation Date (if the First Valuation Date is a Disrupted Day or for any other reason) and those Shares comprising the Sold Shares not sold on the First Valuation Date shall be sold on either or both Exchange(s) as soon thereafter as the Calculation Agent determines in its commercially reasonable judgement. The period of Scheduled Trading Days from and including the First Valuation Date to the Scheduled Trading Day on which all the Sold Shares have been sold shall be the **Valuation Period**.

References herein to a sale of Shares shall be deemed to be references to a notional or actual sale of Shares by the Calculation Agent as a foreign investor and references to "sell" and "sold" shall be construed accordingly.

First Valuation Date means, in relation to a Warrant, the Actual Exercise Date or, if such date is not a Scheduled Trading Day, the first succeeding Scheduled Trading Day.

Sold Shares means, in relation to an Actual Exercise Date and the Warrants exercised on such date, a number of Relevant Assets equal to the product of A and B, as determined by the Calculation Agent, where: **A** means the Share Amount and **B** means the aggregate number of Warrants exercised on such Exercise Date.

Share Amount means, in relation to each Warrant, one Relevant Asset.

27. Exercise Expenses:

The words "taxes duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties

arising in connection with the exercise of such Warrants or Units, as the case may be, (**Exercise Expenses**)" set out in Condition 5(A)(1)(v) shall be deleted and the words "Exercise Expenses" shall be substituted therefor.

For the purposes of Condition 5(A)(1)(v), **Exercise Expenses** means:

(i) all taxes duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants; and

(ii) all duties, levies and taxes (including any stamp, transfer or withholding taxes or tax on profits or capital gains) whatsoever which the Calculation Agent determines would be, or would have been, sustained or incurred by the Issuer or any Affiliate or a Mauritius resident foreign investor had such entity owned or disposed of Shares in a number equal to such Warrants on any day during the relevant Valuation Period.

The Issuer has sole and complete discretion as to what the Exercise Expenses should be from time to time.

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| 28. | Cash Settlement Amount: | The first paragraph of Condition 4(B) shall be amended by the deletion of the word "zero" in the last line thereof and the substitution of the words "U.S.\$ 0.01" therefor. |
| 29. | Failure to Deliver: | Failure to Deliver applies to the Warrants. |
| 30. | Special conditions or other final terms: | See Schedule 1 attached hereto. |
| 31. | Additional Selling Restrictions: | Not Applicable. |
| 32. | Eligibility for sale in the United States within the meaning of Rule 144A to QIBs: | The Warrants are not eligible for sale into the United States or to U.S. persons except to certain QIBs pursuant to Rule 144A under the Securities Act. |

Warrants eligible for sale in the United States pursuant to Rule 144A to QIBs and to non-US persons in reliance on Regulation S will be represented by the Combined Global Warrant and will be subject to the transfer restrictions set forth on the Combined Global Warrant.

- (a) The Combined Global Warrant will be deposited with a Common Depositary on behalf of Clearstream, Luxembourg, and Euroclear;
- (b) the Warrants may be issued concurrently outside

the United States to non-U.S. persons;

(c) the Warrants may be transferred to QIBs; and

(d) the Warrants may be transferred to non-U.S. persons.

33. Additional U.S. federal income tax consequences: The Issuer will treat the Warrants as forward contracts for U.S. federal income tax purposes, as described under "United States Federal Income Tax Considerations – Characterization of the Warrants" in the Base Prospectus. See also Schedule 3 attached hereto.
34. Registered Broker/Dealer: Citigroup Global Markets Inc.
35. Syndication: The Warrants will be distributed on a non-syndicated basis.
- The Manager is Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.
36. Responsibility Statement: The Issuer accepts responsibility for the information contained in these Final Terms, subject as provided below.
- The information included in Part B hereof consists of extracts from or summaries of information that is publicly available in respect of the Shares. The Issuer accepts responsibility for accurately reproducing such extracts or summaries and, as far as the Issuer is aware and is able to ascertain from such publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CITIGROUP GLOBAL MARKETS HOLDINGS INC.

as Issuer

Signed on behalf of the Issuer:

By:.....

Duly authorised

The Warrants will not become valid or obligatory for any purpose until the Final Terms are attached to the applicable Global Warrant and the certificate of authentication on such Global Warrant has been signed by or on behalf of the relevant Warrant Agent.

WARNING

The contents of these Final Terms have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of these Final Terms, you should obtain independent professional advice.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing: Luxembourg

Admission to trading: Application has been made for the Warrants to be admitted to trading on the Luxembourg Stock Exchange's regulated market on or about the Issue Date.

The up to 11,000,000 India Participation Certificates linked to the ordinary shares of Opto Circuits India Limited issued on 11th November 2005 were admitted to trading on the Luxembourg Stock Exchange's regulated market on 22nd September 2006.

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer.

3. PERFORMANCE OF THE UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

An investment in the Warrants provides Warrantholders with a return calculated by reference to the sale proceeds of the Shares. The issue price of the Warrants reflects the value of the Shares on the pricing date and the Cash Settlement Amount is linked to the performance of the Share Company. Therefore, if the traded price of the Shares falls below the value of the Shares on the pricing date, the Cash Settlement Amount payable in respect of each Warrant may be less than the issue price of such Warrant.

If a cash dividend is declared by the Share Company, the Issuer will pay the relevant Dividend to the Warrantholder on the relevant Dividend Payment Date.

Opto Circuits India Limited (the **Share Company**) has its registered office at Plot #83, Electronic City, Hosur Road, Bangalore, 560 100, India.

The ordinary shares (the **Shares**) (ISIN: INE808B01016) of par value INR 10 each, are listed on The National Stock Exchange of India Limited and The Stock Exchange, Mumbai.

Information in relation to the Shares and the Share Company, and information about the past performance of the Shares and their volatility may be obtained from Bloomberg page: NOPTC IN and from The National Stock Exchange of India Limited and The Stock Exchange, Mumbai.

4. OPERATIONAL INFORMATION

(i) ISIN Code: US17308G6109

(ii) Common Code: 023450631

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| (iii) | Sedol Code: | B0NP4L0 |
| (iv) | Any Additional or Alternative Clearing System(s) other than Clearstream, Luxembourg, Euroclear or DTC and the relevant identification number(s): | Not Applicable |
| (v) | Names and addresses of additional Warrant Agent(s) (if any): | Not Applicable |

6. OTHER INFORMATION

Citigroup Global Markets Limited (**CGML**) will use reasonable endeavours to provide a secondary market in the Warrants and indicative bid and offer prices will be published by Citigroup Global Markets Limited, which publication is expected to be on Reuters Page: <PCER> GO during Indian market hours.

CGML may but is not in any way obliged to buy Warrants from investors in the secondary market at a purchase price (the **Purchase Price**) based on the Cash Settlement Amount payable in respect of the Warrants less any Exercise Expenses which would be payable in respect of the Warrants, as determined by CGML in its sole and absolute discretion.

Investors should note that, in relation to any such purchase, CGML may require an investor to enter into a sale and purchase agreement pursuant to which:

- (a) in the event that CGML determines, in its sole and absolute discretion, that any amount deducted in respect of Exercise Expenses is more than the actual amount of such Exercise Expenses imposed on the Issuer or any of its Affiliates or a foreign investor (the **Actual Amount**), CGML will pay to such investor an amount equal to the difference between the amount deducted and the Actual Amount; and
- (b) in the event that CGML determines, in its sole and absolute discretion, that any amount deducted in respect of Exercise Expenses is less than the Actual Amount, CGML will require such investor to repay to CGML an amount equal to the difference between the Actual Amount and the amount so deducted.

SCHEDULE 1

1. Dividends

If the Share Company declares an ex-cash dividend date (an **Ex-Date**) during the period from and including the Issue Date to but excluding the Expiration Date, the Issuer shall pay or procure the payment of an amount in relation to each Warrant equivalent to such cash dividends declared in relation to one Share (less the Applicable Amount) converted into U.S. dollars at the Dividend Exchange Rate (the **Dividends**) such payment to be made to the Warrantholder that would receive such Dividend according to market practice in relation to a sale of Shares executed on the Business Day preceding the Ex-Date (if such Warrantholder had been the buyer in such sale) notwithstanding that such person may not be the holder of the Warrant as of the relevant Dividend Payment Date (as defined below).

The Issuer will pay or procure the payment of the Dividends, if any, to the relevant Warrantholder five Business Days following the day on which a foreign investor would have received actual cash payment of the relevant cash dividends or such earlier date as the Calculation Agent shall determine in its sole discretion (the **Dividend Payment Date**) Provided That, if such Dividend Payment Date has not occurred prior to the date that is six months after the relevant Ex-Date, the Issuer shall not be obliged to pay such Dividend and the Issuer shall have no further obligations in respect thereof.

Applicable Amount means, in relation to a cash dividend declared in relation to one Share, an amount equal to such percentage (the **Applicable Percentage**), if any, that the Issuer from time to time deems appropriate to take account of any tax, duty, withholding, deduction or other charge whatsoever, including but not limited to taking into account any tax, duty, withholding, deduction or other charge sustained or incurred by the Issuer or any Affiliate or a Mauritius resident foreign investor as a result of the receipt of the relevant cash dividend or that would have been sustained or incurred by the Issuer or any Affiliate or a Mauritius resident foreign investor had it so received such cash dividend. The Issuer has sole and complete discretion as to what the Applicable Percentage should be from time to time.

Dividend Exchange Rate means the mid INR/U.S.\$ exchange rate quoted on Reuters page "INR=IN" (or such other page or service that may replace Reuters page "INR=IN" for the purpose of displaying the mid INR/U.S.\$ exchange rate) prevailing at or around the time that the Mauritius resident foreign investor would have received the relevant cash dividend (expressed as the number of Indian rupees (or part thereof) for which one U.S. dollar can be exchanged), as determined by the Calculation Agent Provided That if the Dividend Exchange Rate cannot be determined as aforesaid, it shall be determined by the Calculation Agent by reference to such sources as it deems appropriate.

Upon the occurrence of an Ex-Date, the Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 stating the occurrence of the Ex-Date, giving details thereof and setting out the method and anticipated date of payment of the relevant Dividends. Any determination by the Calculation Agent in respect of the persons to whom the Dividends should be paid shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer and the Warrantholders.

The provisions of Condition 15(B)(2)(a)(iii) shall not apply to the Warrants.

For the avoidance of doubt, where the Warrants are Physical Delivery Warrants, the provisions of the final paragraph of Condition 4(C)(i) shall apply to dividends payable in respect of the Shares from and including the Actual Exercise Date for such Warrant.

2. Adjustment Provisions

(a) Currency, Cross Border and Other Restrictions

At any time on or before the Settlement Date of a Warrant, the Issuer has discretion to direct the Calculation Agent, acting in good faith and in a commercially reasonable manner, to adjust the terms of such Warrant including any payment or delivery obligations in respect thereof in the event that any restrictions, charges or deductions are imposed on or before the Settlement Date of such Warrant by any applicable governmental, judicial or regulatory body on (a) any dealing by the Issuer and/or its affiliates in the Shares and/or in any option on the Shares on either of the Exchanges whether held by such entity for hedging purposes or otherwise, and (b) (i) the exchange and/or conversion by a non-resident of India in India of Indian rupees for U.S. dollars or U.S. dollars for Indian rupees and/or (ii) the cross-border transfer by a non-resident of India from India of Indian rupees or U.S. dollars. Such adjustments may include (but are not in any way limited to) (i) payment of the Dividends and/or the Cash Settlement Amount and/or any Disruption Cash Settlement Price and/or any Failure to Deliver Settlement Price and/or any other amount payable by the Issuer pursuant to the Conditions in Indian rupees rather than U.S. dollars and/or (ii) deduction of the applicable charge or deduction from the Dividends and/or the Cash Settlement Amount and/or any Disruption Cash Settlement Price and/or any Failure to Deliver Settlement Price and/or any other amount payable by the Issuer pursuant to the Conditions and/or (iii) non-payment of the Dividends and/or the Cash Settlement Amount and/or any Disruption Cash Settlement Price and/or any Failure to Deliver Settlement Price and/or any other amount payable by the Issuer pursuant to the Conditions until all or any of the aforementioned restrictions are lifted and/or (iv) (where legally permissible) in lieu of paying the Cash Settlement Amount, Physical Delivery of the Entitlement.

(b) Stock Dividends and Rights Issues

In the event that a stock dividend (a **Stock Dividend**) in respect of the Shares is declared by the Share Company during the period from and including the Issue Date to but excluding the Expiration Date, in lieu of making an adjustment to the Warrants, the Issuer may issue an amount of further Warrants (the **Further Warrants**) to the Warrantholder that would receive such Stock Dividend according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Stock Dividend (if such Warrantholder had been the buyer in such sale) to reflect the issue of the Stock Dividend (as adjusted for any taxes, charges or expenses which the Calculation Agent determines would be, or would have been, withheld or payable in India in relation to or by or on behalf of a Mauritius resident foreign investor had such foreign investor received such Stock Dividend) notwithstanding that such person may not be the holder of the Warrant as of the date on which the Further Warrants are issued. Further Warrants issued pursuant to this paragraph may be issued to the Warranholders free of charge or at an issue price as determined in the sole discretion of the Calculation Agent.

In addition, in the event that a rights issue (a **Rights Issue**) in respect of the Shares is declared by the Share Company during the period from and including the Issue Date to but excluding the Expiration Date, in lieu of making an adjustment to the Warrants, the Issuer may issue an amount of Further Warrants to the Warrantholder that would receive such Rights Issue according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Rights Issue (if such Warrantholder had been the buyer in such sale) to reflect the Rights Issue (as adjusted for any taxes, charges or expenses which the Calculation Agent determines would be, or would have been, withheld or payable in India in relation to or by or on behalf of a Mauritius resident foreign investor had such foreign investor received such Rights Issue) notwithstanding that such person may not be the

holder of the Warrant as of the date on which the Further Warrants are issued. Further Warrants issued pursuant to this paragraph may be issued to the Warrantholders at an issue price as determined in the sole discretion of the Calculation Agent.

The Issuer may issue the Further Warrants, if any, to the relevant person five Business Days following the day on which a foreign investor would have received the relevant Stock Dividends or Shares upon exercise of the Rights Issue or such later date as the Calculation Agent shall determine in its sole discretion. Any determination by the Calculation Agent in respect of the persons to whom the Further Warrants should be issued shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer and the Warrantholders.

If the Warrantholder holds more than one Warrant, the number of Warrants held by such Warrantholder may be aggregated for the purposes of determining the number of Further Warrants to be issued to such holder pursuant to the above.

In the event that any Further Warrants are to be issued at an issue price, no Warrantholder will be obligated to purchase such Further Warrants but if such Further Warrants are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Warrantholder in respect of such Stock Dividend or Rights Issue, as the case may be.

Upon the declaration of a Stock Dividend or a Rights Issue by the Share Company and the election by the Issuer to issue Further Warrants, the Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 stating the declaration of the Stock Dividend or the Rights Issue, the election by the Issuer to issue Further Warrants and giving details thereof.

3. Modifications for listing purposes

The Warrant Agent and the Issuer may agree, without the consent of the Warrantholders, to any modification of any term of the Warrants to enable the Warrants to be listed on the Luxembourg Stock Exchange or such other stock exchange or market as the Issuer shall determine in its sole discretion.

Any such modification shall be binding on the Warrantholders and any such modification shall be notified to the Warrantholders in accordance with Condition 10 as soon as practicable thereafter.

1. Discretions, Calculations and Determinations

Notwithstanding anything to the contrary in the Conditions, all discretions exercised by or calculations and determinations made by the Issuer or the Calculation Agent pursuant to the Conditions shall be made by the Issuer or Calculation Agent, as the case may be, in good faith.

SCHEDULE 2

FORM OF EXERCISE NOTICE FOR WARRANTS REPRESENTED BY A COMBINED GLOBAL WARRANT

Citigroup Global Markets Holdings Inc.
(the Issuer)
Issue of up to 31,000,000
India Participation Certificates
linked to the ordinary shares of Opto Circuits India Limited
(the Warrants)

When completed this Exercise Notice should be sent by tested telex (to be confirmed in writing) or delivered in writing to whichever of Clearstream, Luxembourg or Euroclear records or will record on its books ownership of the Warrants being exercised, with a copy to Citigroup Global Markets Deutschland AG & Co. KGaA as Principal Warrant Agent.

To: Clearstream, Banking, société anonyme
67 Boulevard Grand-Duchesse Charlotte
L-1010 Luxembourg

or: Euroclear Bank S.A./N.V.
1 Boulevard du roi Albert II
B1210 Brussels
Belgium

cc: Citigroup Global Markets Deutschland AG & Co. KGaA

c/o: Citibank, N.A.
21st Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Facsimile No: + 44 20 7508 3883
Attention: Agency & Trust, SPAG Desk

If this Exercise Notice is determined to be incomplete or not in proper form (in the determination of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Warrant Agent), or is not copied to the Principal Warrant Agent immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, it will be treated as void.

If this Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Warrant Agent, it will be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and copied to the Principal Warrant Agent.

If this Exercise Notice has not been duly completed and delivered in the manner set out in the Conditions and by the cut-off time specified in the Conditions, it shall become void.

Terms used in this Exercise Notice and not otherwise defined herein shall have the meanings given them in the Conditions of the Warrants as amended and/or supplemented by the applicable Final Terms.

PLEASE USE BLOCK CAPITALS

1. Name(s) and Address(es) of Warrantholders:

2. Exercise of Warrants

The undersigned, being the holder(s) of the Warrants referred to below forming part of the above issue of Warrants, hereby exercises the number of Warrants referred to below, subject to the Conditions of such Warrants.

3. Series Number and Number of Warrants

The Series number of Warrants being exercised is:

The number of Warrants referred to in paragraph 2 above is as follows:

Warrants []

Note: Reference should be made to the Conditions of the Warrants to ensure that Warrants are exercised in any minimum number or multiples required by such Conditions and do not exceed any maximum limitations.

4. Account details:

I/We* hereby irrevocably instruct Clearstream, Luxembourg/Euroclear* to debit on or before the Settlement Date my/our* securities account with the number of Warrants hereby being exercised. I/We* hereby undertake to pay any applicable Exercise Expenses and I/we* hereby irrevocably instruct Clearstream, Luxembourg/Euroclear* [to deduct an amount in respect thereof from any Cash Settlement Amount due to me/us* [and/or] to debit my/our* account specified below with an amount or amounts in respect thereof and to pay such Exercise Expenses to the extent of such amount or amounts].

My/Our* account details with Clearstream, Luxembourg/Euroclear* are as follows:

5. Cash Settlement or Physical Delivery

I/We* hereby irrevocably elect that the Warrants the subject of this notice be settled by Cash Settlement/Physical Delivery*.

6. Cash Settled Warrants - Settlement

My/Our* account details with Clearstream, Luxembourg/Euroclear* to be credited with payment by the Issuer of the Cash Settlement Amount (if any) for each Warrant exercised are as follows:

7. Physically Settled Warrants - Settlement

(A) I/We* hereby irrevocably instruct Clearstream, Luxembourg/Euroclear* to debit on the Actual Exercise Date my/our* account referred to below with the aggregate Exercise Prices in respect of such Warrants together with any other amounts payable (including, for the avoidance of doubt, any Additional Costs).

My/Our* account details with Clearstream, Luxembourg/Euroclear* are as follows:(B)
[WARRANTHOLDER TO INSERT DETAILS AS TO HOW ENTITLEMENT IS TO BE DELIVERED]

My/Our* account details with Clearstream, Luxembourg/Euroclear* to be credited with any cash payable by the Issuer to me/us* in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or as a result of the occurrence of a Failure to Deliver and the Issuer electing to pay the Failure to Deliver Settlement Price or as a result of the Issuer electing to pay the Alternate Cash Amount are as follows:

8. Physically Settled Warrants - Acknowledgements of the Warrantholder

- (a) I/We* hereby confirm that I/we* have made such regulatory filings and have obtained such approvals and accounts as may be necessary to permit Physical Delivery of the Entitlement.
- (b) I/We* hereby acknowledge that Physical Delivery of the Entitlement will only be made if permitted in accordance with all the applicable laws and regulations from time to time in force (including, for the avoidance of doubt, any applicable U.S. securities laws) and I/we* hereby acknowledge that, in the event that Physical Delivery is selected by me/us* but, in the sole discretion of the Calculation Agent, relevant regulations have not been amended to permit such Physical Delivery as described in paragraph 14 of the Final Terms relating to the Warrants the subject of this Exercise Notice, the Warrants shall be deemed to be Cash Settled Warrants and I/we* shall receive the Cash Settlement Amount rather than the Entitlement.
- (c) I/We* hereby acknowledge that any Relevant Asset or Substitute Asset delivered by the Issuer may be subject to transfer restrictions and additional certifications may be required from me/us*. In the event that such additional certifications are required, I/we* undertake to provide such additional certifications.
- (d) I/We* hereby undertake to pay any Additional Costs incurred by the Calculation Agent and I/we* hereby acknowledge that delivery of the Entitlement shall be subject to payment of any such Additional Costs.

- (e) I/We* hereby acknowledge that the Warrants may only be exercised in amounts that correspond to the Minimum Exercise Number as described in paragraph 25 of the Final Terms relating to the Warrants the subject of this Exercise Notice.
 - (f) I/We* hereby acknowledge that, in the sole discretion of the Calculation Agent, in the event that Physical Delivery is not practicable by reason of a Settlement Disruption Event, I/we* will receive the Disruption Cash Settlement Price instead of the Entitlement as further described in the Conditions.
-

9. Certification

[The undersigned hereby certifies that as of the date hereof none of the Warrants exercised hereby is or will be beneficially owned, directly or indirectly, by any "U.S. person" as such term is defined in Regulation S under the Securities Act.]*

[The undersigned hereby certifies that as of the date hereof the Warrants exercised hereby are or will be beneficially owned, directly or indirectly, by a qualified institutional buyer within the meaning of Rule 144A.]*

I/We* understand that certain portions of this Exercise Notice are required in connection with certain tax, securities, commodities or other laws of the United States. If administrative or legal proceedings are commenced or threatened in connection with which this Exercise Notice is or might be relevant, I/we* irrevocably authorise you to produce this Exercise Notice or a copy thereof to any interested party in such proceedings.

Name(s) of Warrantholder(s):

*Signed/By:

Dated:

*Delete as appropriate.

SCHEDULE 3
UNITED STATES TAXATION CONSIDERATIONS

Any U.S. federal tax discussion in this Final Terms and in the Base Prospectus is not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion was written to support the promotion or marketing of the Warrants to be issued pursuant to this Final Terms and the Base Prospectus. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The following discussion supplements and should be read in conjunction with the discussion of the applicable general U.S. federal income tax consequences summarized under "*United States Federal Income Tax Considerations*" in the Base Prospectus. The U.S. federal income tax consequences in the case of a payment of Dividends by the Issuer on the Warrants is not clear. Although a Warrantholder should not be viewed as owning an equity interest in the Issuer or an ownership interest in the underlying Share prior to the exercise of a Warrant, because the Dividends are equal to the dividends declared on the underlying Shares and essentially passed through by the Issuer to a Warrantholder, it would be reasonable to treat a Warrantholder as having received dividend income in respect of the Shares. If the Dividend were so treated, the resulting taxable income would be foreign source income for U.S. federal income tax purposes. In the absence of a U.S. administrative or judicial ruling to the contrary, the Issuer intends to characterize the Dividends as described in this paragraph. However, there can be no assurance that the U.S. Internal Revenue Service will not assert an alternative characterization, which could result in different U.S. tax consequences, and such difference could be material. **Prospective investors are urged to consult their own tax advisers about the U.S. tax consequences of an investment in the Warrants, including the proper tax treatment of the payment of a Dividend.**

SCHEDULE 4
TERMS AND CONDITIONS OF THE WARRANTS
(as taken from the Offering Memorandum dated 25th May, 2004)

The Warrants of this series (such Warrants being hereinafter referred to as the **Warrants**) are issued pursuant to a Master Warrant Agreement dated 25th February, 2003 (the **Original Warrant Agreement**) as supplemented by a First Supplemental Warrant Agreement dated 25th May, 2004 (together with the Original Warrant Agreement, the **Warrant Agreement**) among, *inter alia*, Citigroup Global Markets Holdings Inc. as issuer (the **Issuer**), Citigroup Global Markets Deutschland AG & Co. KGaA as principal warrant agent (the **Principal Warrant Agent**, which expression shall include any successor principal warrant agent) and as New York warrant agent (the **New York Warrant Agent**), Banque Générale du Luxembourg S.A. as Luxembourg warrant agent (the **Luxembourg Warrant Agent**) and Citibank, N.A. as definitive warrant agent (the **Definitive Warrant Agent**, and, together with the Principal Warrant Agent, the New York Warrant Agent and the Luxembourg Warrant Agent, the **Warrant Agents**, which expression shall include any additional or successor warrant agents). The Warrants are constituted by the Warrant Agreement as amended and/or supplemented by the applicable Pricing Supplement and shall become valid obligations of the Issuer when the applicable Pricing Supplement is attached to a global warrant (the **Global Warrant**) or, in the case of Warrants to be issued in definitive form (**Definitive Warrants**), attached to each Definitive Warrant, as applicable.

References herein to the **applicable Pricing Supplement** are to the Pricing Supplement or Pricing Supplements (in the case of any further warrants issued pursuant to Condition 12 and forming a single Series with the Warrants) attached to the Global Warrant or each Definitive Warrant, as the case may be.

Copies of the Warrant Agreement (which contains the form of the Pricing Supplement) and the applicable Pricing Supplement may be obtained during normal office hours from the specified office of each Warrant Agent, save that if the Warrants are unlisted, the applicable Pricing Supplement will only be obtainable by a Warrantholder and such Warrantholder must first produce evidence satisfactory to the relevant Warrant Agent as to identity.

The Warrantholders (as defined in Condition 1(B)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Warrant Agreement (insofar as they relate to the Warrants) and the applicable Pricing Supplement, which are binding on them.

Citigroup Global Markets Limited shall undertake the duties of calculation agent (the **Calculation Agent**) in respect of the terms and conditions of the Warrants (the **Conditions**) as set out below and in the applicable Pricing Supplement unless another entity is so specified as calculation agent in the applicable Pricing Supplement. The expression Calculation Agent shall, in relation to the relevant Warrants, include such other specified calculation agent.

In the event that (A) the applicable Pricing Supplement specifies that Warrants are eligible for sale in the United States (such eligibility to be pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the **Securities Act**)), the Warrants sold in the United States to qualified institutional buyers (**QIBs**) within the meaning of Rule 144A (**Rule 144A**) under the Securities Act will, subject as provided below, be represented by a Rule 144A Global Warrant (the **Rule 144A Global Warrant**), (B) the applicable Pricing Supplement specifies that the Warrants are eligible for sale in the United States under the exemption provided by Section 4(2) (**Section 4(2)**) of the Securities Act, the Warrants sold in the United States to institutional accredited investors (**IAIs**) (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) will be constituted by Private Placement Definitive Warrants (**Private Placement Definitive Warrants**), and (C) in either such case, Warrants are sold outside the United States to non-U.S. persons, such Warrants will, subject as provided below, be represented by a Regulation S Global Warrant (the **Regulation S Global**

Warrant). Warrants eligible for sale in the United States to QIBs pursuant to Rule 144A and sold outside the United States to non-U.S. persons in reliance on Regulation S may also be represented by a global warrant (the **Combined Global Warrant**).

In the event that the applicable Pricing Supplement specifies that the Warrants are not eligible for sale in the United States, any Warrants will be represented by a Permanent Global Warrant (the **Permanent Global Warrant**).

References herein to a **Global Warrant** include, as the context so requires, a Permanent Global Warrant, a Rule 144A Global Warrant, a Regulation S Global Warrant and a Combined Global Warrant.

Except as specified herein, Definitive Warrants will not be issued. Each Regulation S Global Warrant, Permanent Global Warrant or Combined Global Warrant (if any) will be deposited with a depositary (a **Common Depositary**) on behalf of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. as operator of the Euroclear system (**Euroclear**). Each Rule 144A Global Warrant (if any) will be either (i) deposited with the New York Warrant Agent as custodian (the **Custodian**) for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**) or (ii) deposited with a Common Depositary, as specified in the applicable Pricing Supplement.

Regulation S Global Warrants, Rule 144A Global Warrants, Private Placement Definitive Warrants and Combined Global Warrants will only be issued in relation to Share Warrants.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies the Issuer that it is unwilling or unable to continue as a depositary for that Rule 144A Global Warrant, or if at any time DTC ceases to be a **clearing agency** registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the Issuer within 90 days of such notice, the Issuer will deliver Warrants in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for that Rule 144A Global Warrant. Except in these circumstances, owners of beneficial interests in a Rule 144A Global Warrant held by a Custodian on behalf of DTC will not be entitled to have any portion of such Warrants registered in their name and will not receive or be entitled to receive physical delivery of registered Warrants in definitive form in exchange for their interests in that Rule 144A Global Warrant. Transfer, exercise, settlement and other mechanics related to any Warrants issued in definitive form in exchange for Warrants represented by a Rule 144A Global Warrant shall be as agreed between the Issuer and the New York Warrant Agent.

The applicable Pricing Supplement for the Warrants is attached to the Global Warrant or each Definitive Warrant, as the case may be, and supplements these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the Warrants.

Words and expressions defined in the Warrant Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

1. Type, Title and Transfer

(A) Type

The Warrants are Index Warrants, Share Warrants, Debt Warrants, Currency Warrants, Commodity Warrants or any other or further type of warrants as is specified in the applicable Pricing Supplement. Certain terms which will, unless otherwise varied in the applicable

Pricing Supplement, apply to Index Warrants, Share Warrants, Debt Warrants or Commodity Warrants are set out in Condition 15.

The applicable Pricing Supplement will indicate whether the Warrants are American style Warrants (**American Style Warrants**) or European style Warrants (**European Style Warrants**) or such other type as may be specified in the applicable Pricing Supplement, whether automatic exercise (**Automatic Exercise**) applies to the Warrants, whether settlement shall be by way of cash payment (**Cash Settled Warrants**) or physical delivery (**Physical Delivery Warrants**), whether the Warrants are call Warrants (**Call Warrants**) or put Warrants (**Put Warrants**), or such other type as may be specified in the applicable Pricing Supplement, whether the Warrants may only be exercised in Units and whether Averaging (**Averaging**) will apply to the Warrants. If Units are specified in the applicable Pricing Supplement, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect. If Averaging is specified as applying in the applicable Pricing Supplement, the applicable Pricing Supplement will state the relevant Averaging Dates and (i) in relation to Index Warrants or Share Warrants, where a Disrupted Day (as defined in Condition 15) occurs on an Averaging Date or (ii) in relation to Warrants other than Index Warrants or Share Warrants, where a Market Disruption Event (as defined in Condition 15) occurs on an Averaging Date, whether Omission, Postponement or Modified Postponement (each as defined in Condition 3 below) applies.

References in these Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to (a) Physical Delivery Warrants which include an option (as set out in the applicable Pricing Supplement) at the Issuer's election to make cash settlement of such Warrants pursuant to Condition 4(E)(i) and where settlement is to be by way of cash payment and (b) Physical Delivery Warrants where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 4(E)(ii). References in these Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option (as set out in the applicable Pricing Supplement) at the Issuer's election to make physical delivery of the relevant underlying asset in settlement of such Warrants pursuant to Condition 4(E)(i) and where settlement is to be by way of physical delivery.

Warrants may, if so specified and provided for in the applicable Pricing Supplement, allow Warrantheolders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Pricing Supplement. Those Warrants where the Warrantheolder has elected for cash payment will be Cash Settled Warrants and those Warrants where the Warrantheolder has elected for physical delivery will be Physical Delivery Warrants. The rights of a Warrantheolder as described in this paragraph may be subject to the Issuer's right to vary settlement if so indicated in the applicable Pricing Supplement and will be subject, in certain circumstances, to the Issuer's right to substitute assets or to pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with Condition 4(F).

(B) *Title to Warrants*

In the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear subject as set forth in Condition 1(C) below, each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular amount of Warrants (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as

otherwise required by law) be treated by the Issuer and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions **Warrantholder** and **holder of Warrants** and related expressions shall be construed accordingly).

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the Rule 144A Global Warrant will be registered in the name of Cede & Co., as nominee of DTC but this does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global Warrant may be registered. Transfers of such Rule 144A Global Warrant by such nominee of DTC shall be limited to transfers of such Rule 144A Global Warrant, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Rights conferred by the Rule 144A Global Warrant are only enforceable by the Warrantholders (as defined below) as provided therein. Subject as set forth in Condition 1(C) below, each person who is for the time being shown in the records of DTC as the holder of a particular amount of Warrants shall (except as otherwise required by law) be treated by the Issuer and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions **Warrantholder** and **holder of Warrants** and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Warrants, the Issuer shall cause to be kept at the principal office of the Definitive Warrant Agent, a register (the **Register**) on which shall be entered the names and addresses of all holders of Private Placement Definitive Warrants, the amount and type of Private Placement Definitive Warrants held by them and details of all transfers of Private Placement Definitive Warrants. Subject as set forth in Condition 1(C) below, the persons shown in the Register (each a **Warrantholder**) shall (except as otherwise required by law) be treated as the absolute owners of the relevant Private Placement Definitive Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(C) *Transfers of Warrants*

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5.

Subject as set forth in this Condition, all transactions (including permitted transfers of Warrants) in the open market or otherwise must be effected, in the case of Warrants represented by a Regulation S Global Warrant or a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, through an account at Clearstream, Luxembourg or Euroclear or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, through a direct or indirect participant of DTC, subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg, Euroclear, or DTC, as the case may be. Title will pass upon registration of the transfer in the books of Clearstream, Luxembourg or Euroclear or DTC, as the case may be.

Subject as set forth in this Condition, Private Placement Definitive Warrants may be transferred by the then current Warrantholder surrendering its Private Placement Definitive Warrant for registration of transfer at the specified office of the Definitive Warrant Agent, duly endorsed by, or accompanied by a written instrument of transfer (in the form satisfactory to the Issuer and the Definitive Warrant Agent), duly executed by the Warrantholder or its duly authorised agent.

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or

alternative clearing system approved by the Issuer and the Principal Warrant Agent from time to time and notified to the Warrantheolders in accordance with Condition 10.

- (a) Transfers of Warrants for Warrants represented by a Global Warrant may be made only in accordance with the following provisions:
- (i) (A) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a holder of Warrants represented by a Regulation S Global Warrant, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act (**Regulation S**) and, after the expiry of the Distribution Compliance Period, to a non-U.S. person in an offshore transaction pursuant to Regulation S but without such certification;
 - (B) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a holder of Warrants represented by a Regulation S Global Warrant, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Warrant Agent) to the relevant Warrant Agent by the transferor thereof that such transfer is being made to a person who is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A and, after the expiry of the Distribution Compliance Period, in a transaction meeting the requirements of Rule 144A but without such certification;
 - (C) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a holder of Private Placement Definitive Warrants, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S and, after the expiry of the Distribution Compliance Period, to a non-U.S. person in an offshore transaction pursuant to Regulation S but without such certification;
 - (D) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a holder of Private Placement Definitive Warrants, in a transaction meeting the requirements of Rule 144A;
 - (E) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a holder of Warrants represented by a Rule 144A Global Warrant, in a transaction meeting the requirements of Rule 144A;
 - (F) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a holder of Warrants represented by a Rule 144A Global Warrant, within the Distribution Compliance Period only, upon certification

(in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S and, after the expiry of the Distribution Compliance Period, to a non-U.S. person in an offshore transaction pursuant to Regulation S but without such certification;

- (G) In the case of transfers to a person who takes delivery in the form of Warrants represented by a Combined Global Warrant, from a holder of Warrants represented by that Combined Global Warrant, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made either (x) to a person who is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A or (y) to a non-U.S. person in an offshore transaction pursuant to Regulation S and, after the expiry of the Distribution Compliance Period either (x) to a person who is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A or (y) to a non-U.S. person in an offshore transaction pursuant to Regulation S but, in either case, without such certification;
- (H) in the case of transfers to a person who takes delivery in the form of a Warrant represented by a Combined Global Warrant, from a holder of a Private Placement Definitive Warrant, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof;
- (I) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Permanent Global Warrant, from a holder of Warrants represented by that Permanent Global Warrant only, to a non-U.S. person in an offshore transaction pursuant to Regulation S; and

in each case, in accordance with any applicable rules and regulations of the Principal Warrant Agent, the New York Warrant Agent, the Definitive Warrant Agent, DTC, Clearstream, Luxembourg and/or Euroclear, as the case may be, and/or as specified in the applicable Pricing Supplement.

- (ii) The Warrantholder must send:
 - (A) in the case of transfers of Private Placement Definitive Warrants, a free of payment instruction to the Definitive Warrant Agent at least two New York Business Days prior to the date on which the transfer is to take effect;
 - (B) in the case of transfers of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, a free of payment instruction to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10.00 a.m. (Luxembourg or Brussels time, as the case may be) one Luxembourg Business Day or Brussels Business Day, as the case may be, prior to the date on which the transfer is to take effect; and

- (C) in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, a free of payment instruction to DTC at least two New York Business Days prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

- (iii) On the transfer date:

- (A) (x) in the case of transfers of Warrants represented by a Global Warrant, DTC, Clearstream, Luxembourg or Euroclear, as the case may be, will debit the account of its participant and (y) in the case of transfers of Private Placement Definitive Warrants, the Warrantholder must deliver the Private Placement Definitive Warrants the subject of the transfer to the Definitive Warrant Agent and instruct the Definitive Warrant Agent to cancel the transferred Private Placement Definitive Warrants; and

- (B) DTC, Clearstream, Luxembourg, Euroclear or the Warrantholder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, the Principal Warrant Agent to instruct Clearstream, Luxembourg, or Euroclear, as the case may be, to credit the relevant account of the Clearstream, Luxembourg or Euroclear participant, as the case may be, (y) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Permanent Global Warrant, the Principal Warrant Agent to instruct Clearstream, Luxembourg or Euroclear, as the case may be, to credit the relevant account of the Clearstream, Luxembourg or Euroclear participant, as the case may be, and (z) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent (in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, the Definitive Warrant Agent (in the case of transfers of Private Placement Definitive Warrants) to credit the relevant account of the DTC participant, or the Principal Warrant Agent (in the case of transfers of Warrants represented by a Regulation S Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear) to instruct DTC to credit the relevant account of Clearstream, Luxembourg or Euroclear at DTC and thereafter DTC will debit such account of Clearstream, Luxembourg or Euroclear, as the case may be, and will credit the relevant account of the DTC participant.

- (iv) Upon any such transfer, on the transfer date:

- (A) the Principal Warrant Agent, in the case of transfers to and/or from a person who takes delivery in the form of Warrants represented by a

Regulation S Global Warrant or Rule 144A Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, will increase or decrease, if appropriate, the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant, whereupon the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or

- (B) the New York Warrant Agent, in the case of transfers to and/or from a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Warrants represented by such Rule 144A Global Warrant, whereupon the number of Warrants represented by such Rule 144A Global Warrant shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.

(b) (i) Transfers of Warrants for Private Placement Definitive Warrants may be made only in accordance with the following provisions:

- (A) in the case of transfers from a holder of Private Placement Definitive Warrants, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an IAI who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act;
- (B) in the case of transfers from a holder of Warrants represented by a Rule 144A Global Warrant or a Combined Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an IAI who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act;
- (C) in the case of transfers from a holder of Warrants represented by a Regulation S Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) within the Distribution Compliance Period only, certification (in the form from time to time available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an IAI who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act; and

in each case, in accordance with any applicable securities laws of any state of the United States and any applicable rules and regulations of the New York Warrant Agent, the Definitive Warrant Agent, DTC, Clearstream, Luxembourg and/or Euroclear, as the case may be, and/or as specified in the applicable Pricing Supplement.

- (ii) The Warrantholder must send:
 - (A) in the case of transfers of Private Placement Definitive Warrants, a free of payment instruction to the Definitive Warrant Agent at least two New York Business Days prior to the date on which the transfer is to take effect;
 - (B) in the case of transfers of Warrants represented by a Regulation S Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, a free of payment instruction to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10.00 a.m. (Luxembourg or Brussels time, as the case may be) one Luxembourg Business Day or Brussels Business Day, as the case may be, prior to the date on which the transfer is to take effect; and
 - (C) in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, a free of payment instruction to DTC at least two New York Business Days prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

- (iii) On the transfer date:
 - (A) in the case of transfers of Warrants represented by a Global Warrant, DTC, Clearstream, Luxembourg or Euroclear, as the case may be, will debit the account of its participant and, in the case of transfers of Private Placement Definitive Warrants, the Warrantholder must deliver the Private Placement Definitive Warrants the subject of the transfer to the Definitive Warrant Agent and instruct the Definitive Warrant Agent to cancel the transferred Private Placement Definitive Warrants; and
 - (B) DTC, Clearstream, Luxembourg, Euroclear or the Warrantholder, as the case may be, will instruct the Definitive Warrant Agent to deliver or procure the delivery of new Private Placement Definitive Warrants, of a like number to the number of Warrants transferred, to the transferee at its specified office or send such new Private Placement Definitive Warrants, by uninsured mail, at the risk of the transferee, to such address as the transferee may request.
- (iv) Upon any such transfer, on the transfer date, the Principal Warrant Agent will, in the case of transfers of Warrants represented by a Regulation S Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, decrease the number of Warrants represented by such Regulation S Global Warrant, Rule 144A Global Warrant or Combined Global Warrant,

if appropriate, whereupon the number of Warrants represented by such Regulation S Global Warrant, Rule 144A Global Warrant or Combined Global Warrant shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed and the New York Warrant Agent will, in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, decrease the number of Warrants represented by such Rule 144A Global Warrant, if appropriate, whereupon the number of Warrants represented by such Rule 144A Global Warrant shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Warrants to a person who takes delivery in the form of a Private Placement Definitive Warrant, the delivery of a duly executed investor representation letter in the form set out in the Warrant Agreement (an **Investor Representation Letter**) from the relevant transferee to the Definitive Warrant Agent is a condition precedent to the transfer of such Private Placement Definitive Warrant or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee's attorney duly authorised in writing, at least three New York Business Days prior to the date the transfer of such Private Placement Definitive Warrant is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on the Issuer.

If (i) the Principal Warrant Agent (in relation to Regulation S Global Warrants, Rule 144A Global Warrants and Combined Global Warrants held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear) or (ii) the New York Warrant Agent (in relation to Rule 144A Global Warrants held by a Custodian on behalf of DTC) or (iii) the Definitive Warrant Agent (in relation to Private Placement Definitive Warrants) subsequently determines or is subsequently notified by the Issuer that (a) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Warrant was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, or (b) the holder of any interest in any Warrant was in breach, at the time given, of any representation or agreement given by such Warrantholder (including, but not limited to, in the case of Private Placement Definitive Warrants, any such representation or agreement set forth in the relevant Investor Representation Letter) or (c) a transfer or attempted transfer of any interest in any Warrant was consummated that did not comply with the transfer restrictions set forth in this Condition 1(C), the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a **Disqualified Transferee**) and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of transfer of such interest by such holder.

- (d) All references to **transfer** in these Conditions shall be construed as a reference to a transfer or exchange, all references to **transferor** shall be construed as a reference to a transferor, exchanger or holder and all references to **transferred** shall be construed as a reference to transferred or exchanged.

2. **Status of the Warrants**

The Warrants represent general contractual obligations of the Issuer and of no other person. The Warrants are not secured by any property of the Issuer and rank equally among themselves and with all other unsecured and unsubordinated obligations of the Issuer. Any Warrantholder may without the consent of the Warrant Agent or any other holder of Warrants

initiate and maintain a suit, action or proceeding against the Issuer to enforce its rights under the Warrants.

3. Definitions

For the purposes of these Conditions, the following general definitions will apply:

Actual Exercise Date means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 6(A)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 4(A)(i)));

Affiliate means in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity;

Averaging Date means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, in respect of Index Warrants or Share Warrants, any such day is a Disrupted Day (as set out in Condition 15) or, in respect of Warrants other than Index Warrants or Share Warrants, a Market Disruption Event (as set out in Condition 15) has occurred on that day. If any such day is a Disrupted Day or if there is a Market Disruption Event on that day, as applicable, then:

- (a) if **Omission** is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for purposes of determining the relevant Settlement Price Provided That, if through the operation of this provision there would not be an Averaging Date in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day or on which a Market Disruption Event had occurred, as the case may be; or
- (b) if **Postponement** is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were (i) in relation to Index Warrants or Share Warrants, a Valuation Date that was a Disrupted Day or (ii) in relation to Warrants other than Index Warrants or Share Warrants, a Valuation Date on which a Market Disruption Event had occurred, irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Pricing Supplement:
 - (i) where the Warrants are Index Warrants relating to a single Index or Share Warrants relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of

another Averaging Date or, in relation to Index Warrants or Share Warrants, a Disrupted Day, would have been the final Averaging Date in relation to such Actual Exercise Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (i)(a) of the definition of "Valuation Date" below;

- (ii) where the Warrants are Index Warrants relating to a Basket of Indices or Share Warrants relating to a Basket of Shares, the Averaging Date for each Index or Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Index or Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to such Actual Exercise Date, then (A) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index or Share, and (B) the Calculation Agent shall determine the relevant level or amount for that Averaging Date in accordance with sub-paragraph (i)(b) of the definition of "Valuation Date" below;

For the purposes of this Condition, **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date does not or is not deemed to occur; and

- (iii) where the Warrants are Debt Warrants, Currency Warrants or Commodity Warrants, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Pricing Supplement;

Brussels Business Day means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Brussels;

Business Day means (i) a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and Clearstream, Luxembourg and Euroclear and DTC where any of the Warrants are represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, are open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

Cash Settlement Amount means, in relation to Cash Settled Warrants, the amount to which the Warrantholder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 4;

Disrupted Day means (i) in respect of Share Warrants or Index Warrants other than Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, any Scheduled Trading Day on which a relevant

Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred or (ii) in relation to Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred;

Distribution Compliance Period means either the period expiring (i) 40 days after completion of the distribution of the relevant Warrants or (ii) in the case of Physical Delivery Warrants which are Share Warrants, one year after completion of the distribution of the relevant Warrants or (iii) in relation to Warrants represented by a Combined Global Warrant, two years after the completion of the distribution of the relevant Warrants;

Entitlement means, in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be (or, if the Issuer has elected to exercise its option pursuant to Condition 4(F) to substitute assets, the quantity of the Substitute Asset(s)), which a Warrantholder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) rounded down as provided in Condition 4(C)(i), as determined by the Calculation Agent including any documents evidencing such Entitlement;

Exchange means:

- (A) in respect of Index Warrants where the Index is not specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (Provided That the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);
- (B) in respect of Index Warrants where the Index is specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, in relation to each component security of that Index (each a **Component Security**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent; and
- (C) in respect of Share Warrants and in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (Provided That the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

Exchange Business Day means either (i) in respect of Index Warrants or Share Warrants other than Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time or (ii) in relation to Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange

Index, any Scheduled Trading Day on which (a) the Index Sponsor publishes the level of the Index and (b) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

Luxembourg Business Day means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Luxembourg;

New York Business Day means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York;

Official Settlement Price means the official settlement price (howsoever described under the rules of the Related Exchange or its clearing house) on maturity of the relevant Contract published by the Related Exchange or its clearing house on the Expiry Date;

Related Exchange means, in respect of Index Warrants and in relation to an Index or in respect of Share Warrants and in relation to a Share, each exchange or quotation system specified as such for such Index or Share in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index or Share has temporarily relocated (Provided That the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), Provided That where "All Exchanges" is specified as the Related Exchange in the applicable Pricing Supplement, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or such Share;

Scheduled Closing Time means, in respect of Index Warrants or Share Warrants and an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

Scheduled Trading Day (A) in relation to Warrants other than Index Warrants or Share Warrants, is as defined in the applicable Pricing Supplement or (B) means (i) in relation to Index Warrants or Share Warrants other than Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions or (ii) in relation to Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, (a) any day on which the Index Sponsor is scheduled to publish the level of that Index, (b) each Related Exchange is scheduled to be open for trading for its regular trading session and (c) where the applicable Pricing Supplement specifies that the X Percentage applies in relation to such Index, no more than 20 per cent. of the Component Securities that comprise the level of the Index are scheduled to be unavailable for trading on the relevant Exchange(s) by virtue of such day not being a day upon which any such relevant Exchange is scheduled to be open for trading for its regular trading sessions (such unavailable percentage being the **X Percentage**).

For the purposes of determining the X Percentage, the relevant percentage contribution of each Component Security unavailable for trading shall be based on a comparison of (a) the portion of the level of that Index to that Component Security relative to (b) the overall level of that Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data";

Scheduled Valuation Date means, in relation to Index Warrants or Share Warrants, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Valuation Date;

Settlement Date means:

(a) in relation to Cash Settled Warrants:

in relation to each Actual Exercise Date, (i) where Averaging is not specified in the applicable Pricing Supplement, the fifth Business Day following the Valuation Date or, where the Warrants are Index Warrants relating to a futures contract or an options contract, the Expiry Date Provided That if the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Debt Warrants relating to a Basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities and the occurrence of a Disrupted Day (as set out in Condition 15), in relation to Index Warrants or Share Warrants, or a Market Disruption Event (as set out in Condition 15), in relation to Warrants other than Index Warrants or Share Warrants, has resulted in a Valuation Date for one or more Indices, Shares, Debt Securities or Commodities, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or (ii) where Averaging is specified in the applicable Pricing Supplement, the fifth Business Day following the last occurring Averaging Date Provided That where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Debt Warrants relating to a Basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities and the occurrence of a Disrupted Day (as set out in Condition 15), in respect of Index Warrants or Share Warrants, or a Market Disruption Event (as set out in Condition 15), in relation to Warrants other than Index Warrants or Share Warrants, has resulted in an Averaging Date for one or more Indices, Shares, Debt Securities or Commodities, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or such other date as is specified in the applicable Pricing Supplement; and

(b) in relation to Physical Delivery Warrants:

the date specified as such in the applicable Pricing Supplement;

Settlement Price means, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, as the case may be:

(a) in respect of Index Warrants, subject to Condition 15(A) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

(i) in the case of Index Warrants relating to a Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Pricing Supplement, the level of each Index determined by the Calculation Agent as set out in the applicable Pricing Supplement at the Valuation Time on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging

Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction, multiplied by the relevant Multiplier; and

- (ii) in the case of Index Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing value of the Index as determined by the Calculation Agent or, if so specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent as set out in the applicable Pricing Supplement at the Valuation Time on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction;
- (b) in respect of Share Warrants, subject to Condition 15(B) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:
- (i) in the case of Share Warrants relating to a Basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) quoted on the relevant Exchange for such Share (as defined in Condition 15(B)) on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction (or if in the opinion of the Calculation Agent, any such closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) for the relevant Share whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Pricing Supplement, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and
 - (ii) in the case of Share Warrants relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the

applicable Pricing Supplement) quoted on the relevant Exchange for such Share (as defined in Condition 15(B)) on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction (or if, in the opinion of the Calculation Agent, no such closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Pricing Supplement, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

- (c) in respect of Debt Warrants, subject to Condition 15(C) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:
 - (i) in the case of Debt Warrants relating to a Basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date, or, if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Multiplier; and
 - (ii) in the case of Debt Warrants relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date, or, if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the

Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security;

- (d) in respect of Currency Warrants:
- (i) in the case of Currency Warrants relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (A), if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B), if Averaging is specified in the applicable Pricing Supplement, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged), or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Multiplier; and
 - (ii) in the case of Currency Warrants relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (A), if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B), if Averaging is specified in the applicable Pricing Supplement, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent);
- (e) in respect of Commodity Warrants, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Pricing Supplement; and
- (f) in respect of Index Warrants relating to a Contract, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Pricing Supplement;

Substitute Asset and **Substitute Assets** each have the meaning given in Condition 4(F);

U.S. person has the meaning given in Regulation S;

Valuation Date means the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day (as set out in Condition 15), in relation to Index Warrants or Share Warrants, or a Market Disruption Event (as set out in Condition 15), in relation to Warrants other than Index Warrants or Share Warrants, has occurred on that day.

- (i) If, in relation to Index Warrants or Share Warrants, such day is a Disrupted Day, then:
- (a) where the Warrants are Index Warrants relating to a single Index or Share Warrants relating to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date (notwithstanding the fact that such day is a Disrupted Day) and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, determine the Settlement Price:
- (x) in the case of Index Warrants, by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Condition 15(A)(2)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or
- (y) in the case of Share Warrants, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (b) where the Warrants are Index Warrants relating to a Basket of Indices or Share Warrants relating to a Basket of Shares, the Valuation Date for each Index or Share, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index or Share, as the case may be, affected (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, in the case of an Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement, and, in the case of a Share, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using:
- (x) in the case of an Index, the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day determined in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in

respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

- (y) in the case of a Share, its good faith estimate of the price for the Affected Item as of the Valuation Time on that eighth Scheduled Trading Day,

and otherwise in accordance with the above provisions; and

- (ii) If, in relation to Warrants other than Index Warrants or Share Warrants, there is a Market Disruption Event on that day, then:

- (a) where the Warrants are Debt Warrants relating to a single Debt Security or Commodity Warrants relating to a single Commodity, the Valuation Date shall be the first succeeding Scheduled Trading Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the five Scheduled Trading Days immediately following the original date that (but for the Market Disruption Event) would have been the Valuation Date. In that case, (i) the fifth Scheduled Trading Day shall be deemed to be the Valuation Date (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, determine the Settlement Price in accordance with its good faith estimate of the Settlement Price that would have prevailed but for the Market Disruption Event as of the Valuation Time on that fifth Scheduled Trading Day; or

- (b) where the Warrants are Debt Warrants relating to a Basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities, the Valuation Date for each Debt Security or Commodity, as the case may be, not affected by a Market Disruption Event shall be the originally designated Valuation Date and the Valuation Date for each Debt Security or Commodity, as the case may be, affected (each an **Affected Item**) by a Market Disruption Event shall be the first succeeding Scheduled Trading Day on which there is no Market Disruption Event relating to the Affected Item, unless there is a Market Disruption Event relating to the Affected Item occurring on each of the five Scheduled Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case, (i) the fifth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item (notwithstanding the Market Disruption Event) and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, in the case of a Debt Security or Commodity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Item that would have prevailed but for the Market Disruption Event as of the Valuation Time on that fifth Scheduled Trading Day,

and otherwise in accordance with the above provisions; and

Valuation Time means:

- (i) in relation to Warrants other than Index Warrants or Share Warrants, the Relevant Time specified in the applicable Pricing Supplement; and

- (ii) (x) in relation to Index Warrants or Share Warrants other than Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, the Relevant Time specified in the applicable Pricing Supplement or, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to such Index or Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (y) in relation to Index Warrants where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, the Relevant Time specified in the applicable Pricing Supplement or, if no Relevant Time is specified, (a) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (a) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

4. Exercise Rights

(A) Exercise Period

(i) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period but subject as provided in Condition 6.

Global Warrants held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear

If Automatic Exercise is not specified as applying in the applicable Pricing Supplement, in the case of Warrants represented by a Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the last Business Day of the Exercise Period (the **Expiration Date**), shall become void.

If Automatic Exercise is specified as applying in the applicable Pricing Supplement, in the case of Warrants represented by a Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 5(F) shall apply.

In the case of Warrants represented by a Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, the Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), to Clearstream, Luxembourg or Euroclear, as the case may be, and the copy thereof so received by the Principal Warrant Agent, or, if Automatic Exercise is specified as applying in the applicable Pricing Supplement and no Exercise Notice has been delivered at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date, the Expiration Date is referred to herein as the **Actual Exercise Date**. If any such Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date, Provided That any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 5 at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), on the Expiration Date shall (i), if Automatic Exercise is not specified as applying in the applicable Pricing Supplement, become void or (ii), if Automatic Exercise is specified as applying in the applicable Pricing Supplement, be automatically exercised on the Expiration Date as provided above and the provisions of Condition 5(F).

Rule 144A Global Warrants held by a Custodian on behalf of DTC

If Automatic Exercise is not specified as applying in the applicable Pricing Supplement, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date, shall become void.

If Automatic Exercise is specified as applying in the applicable Pricing Supplement, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 5(F) shall apply.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, (a) the Business Day during the Exercise Period immediately succeeding the New York Business Day on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Warrant Agent and a copy thereof so received by the Principal Warrant Agent or (b), if Automatic Exercise is specified as applying in the applicable Pricing Supplement and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date, the Expiration Date is referred to herein as the **Actual Exercise Date**. If any such Exercise Notice is received by the New York Warrant Agent, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 5.00 p.m. on any New York Business Day, such Exercise Notice will be deemed to have been delivered on the next New York Business Day and the New York Business Day immediately succeeding such next New York Business Day shall be deemed to be the Actual Exercise Date, Provided That any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date shall (i), if Automatic Exercise is not specified as applying in the Applicable Pricing Supplement, become void or (ii), if Automatic Exercise is

specified as applying in the applicable Pricing Supplement, be automatically exercised on the Expiration Date as provided above.

Private Placement Definitive Warrants

If Automatic Exercise is not specified as applying in the applicable Pricing Supplement, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date, shall become void.

If Automatic Exercise is specified as applying in the applicable Pricing Supplement, in the case of Private Placement Definitive Warrants, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 5(F) shall apply.

In the case of Private Placement Definitive Warrants, (a) the Business Day during the Exercise Period immediately succeeding the New York Business Day on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Warrant Agent and a copy thereof so received by the Principal Warrant Agent or (b), if Automatic Exercise is specified as applying in the applicable Pricing Supplement and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date, the Expiration Date is referred to herein as the **Actual Exercise Date**. If any such Exercise Notice is received by the Definitive Warrant Agent, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 5.00 p.m., New York City time, on any New York Business Day, such Exercise Notice will be deemed to have been delivered on the next New York Business Day and the New York Business Day immediately succeeding such next New York Business Day shall be deemed to be the Actual Exercise Date, Provided That any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date shall (i), if Automatic Exercise is not specified as applying in the Applicable Pricing Supplement, become void or (ii), if Automatic Exercise is specified as applying in the applicable Pricing Supplement, be automatically exercised on the Expiration Date as provided above.

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date but subject as provided in Condition 6.

Global Warrants held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear

In the case of Warrants represented by a Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, if Automatic Exercise is not specified as applying in the applicable Pricing Supplement, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), on the Actual Exercise Date, shall become void. If Automatic Exercise is specified as applying in the applicable Pricing Supplement, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or

Brussels time (as appropriate) on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 5(F) shall apply.

Rule 144A Global Warrants held by a Custodian on behalf of DTC

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if Automatic Exercise is not specified as applying in the applicable Pricing Supplement, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date shall become void. If Automatic Exercise is specified as applying in the applicable Pricing Supplement, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 5(F) shall apply.

Private Placement Definitive Warrants

In the case of Private Placement Definitive Warrants, if Automatic Exercise is not specified as applying in the applicable Pricing Supplement, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date, shall become void. If Automatic Exercise is specified as applying in the applicable Pricing Supplement, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 5(F) shall apply.

(B) *Cash Settlement*

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit entitles its holder, upon due exercise and subject, in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Combined Global Warrant (in respect of interests held by persons who are not QIBs), to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

- (i) where Averaging is not specified in the applicable Pricing Supplement:
 - (a) if such Warrants are Call Warrants,
(Settlement Price less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;
 - (b) if such Warrants are Put Warrants,
(Exercise Price less Settlement Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
 - (c) if such Warrants are neither Call Warrants nor Put Warrants, the Cash Settlement Amount will be as specified in the applicable Pricing Supplement;

- (ii) where Averaging is specified in the applicable Pricing Supplement:
 - (a) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates - Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;
 - (b) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
 - (c) if such Warrants are neither Call Warrants nor Put Warrants, the Cash Settlement Amount will be as specified in the applicable Pricing Supplement.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Pricing Supplement for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be.

(C) *Physical Settlement*

(i) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, as the case may be, entitles its holder, upon due exercise and subject, in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Combined Global Warrant (in respect of interests held by persons who are not QIBs), to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Pricing Supplement.

Warrants or Units, as the case may be, exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, Provided That the aggregate Entitlements in respect of the same Warrantholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be (or, if applicable, of the Substitute Asset or of each of the Substitute Assets, as the case may be), in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be (or, if applicable, of the Substitute Asset or of each of the Substitute Assets, as the case may be), will not be delivered and no cash or other adjustment will be made in respect thereof.

Following exercise of a Share Warrant which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such

dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in Condition 5(A)(2)(vi).

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Pricing Supplement is not practicable by reason of a Settlement Disruption Event (as defined below) subsisting on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which no Settlement Disruption Event is subsisting, Provided That the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select, and in such event, the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets (or, if applicable, Substitute Assets) comprising the Entitlement, the Settlement Date for the Relevant Assets (or, if applicable, Substitute Assets) not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets (or, if applicable, Substitute Assets) comprising the Entitlement, the Calculation Agent shall determine in its sole and absolute discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Warrantholder of the Disruption Cash Settlement Price (as defined below) not later than the third Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Settlement Disruption Event has occurred.

No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

Disruption Cash Settlement Price in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be on a day selected by the Issuer in its sole and absolute discretion (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets (or, if applicable, Substitute Assets) comprising the Entitlement and such non-affected Relevant Assets (or, if applicable, Substitute Assets) have been duly delivered as provided above, the value of such Relevant Assets (or, if applicable, Substitute Assets)), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets (or, if applicable, Substitute Assets) have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

Settlement Disruption Event means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) (or, if applicable, Substitute Asset(s)) using the method specified in the applicable Pricing Supplement.

(D) *Failure to Deliver due to Illiquidity*

If, in relation to Physical Delivery Index Warrants or Share Warrants, "Failure to Deliver" is specified as applying in the applicable Pricing Supplement and, following the exercise of such Warrants, it is impossible or impracticable, in the opinion of the Calculation Agent, to deliver, when due, some or all of the Relevant Assets or Substitute Assets, as the case may be, (the **Affected Relevant Assets**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets or Substitute Assets, as the case may be, (a **Failure to Deliver**), then:

- (a) subject as provided elsewhere in these Conditions, any Relevant Assets or Substitute Assets, as the case may be, which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 4(C)(a) and the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Warrantholder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that the provisions of this Condition 4(D) apply. If the Issuer does not so elect, the provisions of Condition 4(C)(ii) shall apply.

For the purposes hereof:

Failure to Deliver Settlement Price in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be (taking into account, in relation to the Affected Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Affected Relevant Assets on a day selected by the Issuer in its sole and absolute discretion less the sum of (i) the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, and (ii), if already paid, the Exercise Price (or, where as provided above some Relevant Assets or Substitute Assets, as the case may be, have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion), all as determined by the Issuer in its sole and absolute discretion.

(E) *Variation of Settlement*

- (i) In relation only to any issue of Warrants represented by a Permanent Global Warrant, if the applicable Pricing Supplement specifies that the Issuer has an option to vary settlement in respect of the Warrants, following a valid exercise of Warrants in accordance with these Conditions, the Issuer may in its sole and absolute discretion in respect of each such Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, elect not to pay the relevant Warrantholders the Cash Settlement Amount or not to deliver or procure delivery of

the Entitlement to the relevant Warranholders, as the case may be, but, in lieu thereof, to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warranholders, as the case may be. Notification of any such election will be given to Warranholders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

- (ii) In relation only to any issue of Physical Delivery Warrants which are Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant, a Regulation S Global Warrant or a Combined Global Warrant, unless the applicable Pricing Supplement specifies otherwise, following a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Warranholders, make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warranholders.

(F) Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

If the Warrants are Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant, a Regulation S Global Warrant or a Combined Global Warrant, following a valid exercise of such Warrants in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Share Warrants, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the **Substitute Asset** or the **Substitute Assets**, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Warranholders, but in lieu thereof to make payment to the relevant Warranholders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the **Alternate Cash Amount**). Notification of any such election will be given to Warranholders no later than 10:00 a.m. (New York time) on the second Business Day following the Actual Exercise Date.

For purposes hereof, a **freely tradable share** shall mean a share which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion.

(G) General

In relation to any Warrants where Automatic Exercise is specified as applying in the applicable Pricing Supplement, the expressions **exercise**, **due exercise** and related expressions shall be construed to apply to any such Warrants which are automatically exercised in accordance with the above provisions.

None of the Issuer, the Calculation Agent and the Warrant Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Warrants does not confer on any Warranholder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Condition to **Luxembourg or Brussels time** shall, where Warrants are cleared through an additional or alternative clearing system (other than DTC), be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

5. Exercise Procedure

(A) Exercise Notice

Subject as provided in Condition 5(F), Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, may only be exercised by the delivery, or the sending by tested telex (confirmed in writing), of a duly completed exercise notice (an **Exercise Notice**) in the form set out in the Warrant Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours) to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 4 and this Condition.

Subject as provided in Condition 5(F), Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery through computerised exercise instruction through DTC (via its **Deposit and Withdrawal at Custodian**, or **DWAC**, function) of a duly completed Exercise Notice in the form set out in the Warrant Agreement (copies of which form may be obtained from the Warrant Agents) to the New York Warrant Agent with a copy to the Principal Warrant Agent, in accordance with the provisions set out in Condition 4 and this Condition.

Subject as provided in condition 5(F), Private Placement Definitive Warrants may only be exercised by the delivery of a duly completed Exercise Notice in the form set out in the Warrant Agreement (copies of which form may be obtained from the Warrant Agents) together with the relevant Private Placement Definitive Warrants to the Definitive Warrant Agent with a copy of the Exercise Notice to the Principal Warrant Agent, in accordance with the provisions set out in Condition 4 and this Condition.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Pricing Supplement, the number of Units being exercised;
- (ii) (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants or Units, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants or Units, as the case may be, being exercised;
- (iii) (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the

Warrantholder's account with the Warrants or Units, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Warrant Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Warrantholder and credited to the account of the New York Warrant Agent by means of DTC's DWAC function;

- (iv) (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised, (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised, or (C) in the case of Private Placement Definitive Warrants, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants or Units, as the case may be, (**Exercise Expenses**) and (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, an authority to Clearstream, Luxembourg or Euroclear, as the case may be, to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses, (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Warrant Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and to pay such Exercise Expenses and/or to debit a specified account of the Warrantholder in respect thereof and to pay such Exercise Expenses, or (C) in the case of Private Placement Definitive Warrants, an authority to the Definitive Warrant Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder in respect thereof and to pay such Exercise Expenses;
- (vi) certify, in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Combined Global Warrant (in respect of interests held by persons other than QIBs), that the beneficial owner of each Warrant or Unit, as the case may be, being exercised is not a U.S. person (as defined in the Exercise Notice) and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Pricing Supplement; and

- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Pricing Supplement, the number of Units being exercised;
 - (ii) (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants or Units, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants or Units, as the case may be, being exercised;
 - (iii) (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants or Units, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Warrant Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Warrantholder and credited to the account of the New York Warrant Agent by means of DTC's DWAC function;
 - (iv) (A) in the case of Warrants represented by a Regulation S Global Warrant or a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on the Actual Exercise Date a specified account of the Warrantholder with Clearstream, Luxembourg or Euroclear, as the case may be, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable), (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Warrant Agent on the Actual Exercise Date, or (C) in the case of Private Placement Definitive Warrants, contain an undertaking to pay the Issuer the aggregate Exercise Prices in respect of such Warrants, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Warrant Agent on the Actual Exercise Date;

- (v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of such Warrants and/or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants or Units, as the case may be, (**Exercise Expenses**) and (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, an authority to Clearstream, Luxembourg or Euroclear to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses, (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Warrant Agent to debit a specified account of the Warrantholder in respect thereof and to pay such Exercise Expenses, or (C) in the case of Private Placement Definitive Warrants, an authority to the Definitive Warrant Agent to debit a specified account of the Warrantholder in respect thereof and to pay such Exercise Expenses;
- (vi) include such details as are required by the applicable Pricing Supplement for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, specify the name and the number of the Warrantholder's account with Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or as a result of the Issuer electing to pay the Alternate Cash Amount, (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or as a result of the Issuer electing to pay the Alternate Cash Amount, or (C) in the case of Private Placement Definitive Warrants, specify the details of the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or as a result of the Issuer electing to pay the Alternate Cash Amount;
- (vii) in the case of Currency Warrants only, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;

- (viii) certify, in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Combined Global Warrant (in respect of interests held by persons other than QIBs) that the beneficial owner of each Warrant or Unit, as the case may be, being exercised is not a U.S. person (as defined in the Exercise Notice) and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as indicated and set out in the applicable Pricing Supplement; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

- (3) If Condition 4(E)(i) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours.

If Condition 4(E)(ii) applies, unless the applicable Pricing Supplement specifies otherwise, Warranholders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

(B) *Verification of the Warranholder*

In the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, upon receipt of an Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the Warranholder thereof according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Warrant Agent the Series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Warranholder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Regulation S Global Warrant, the Permanent Global Warrant, a Rule 144A Global Warrant or the Combined Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, as the case may be, the Common Depository will, on the instructions of, and on behalf, of the Principal Warrant Agent, note such exercise on the Schedule to such Regulation S Global Warrant, such Permanent Global Warrant, such Rule 144A Global Warrant or such Combined Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, as the case may be, and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Warrant Agent shall verify that the person exercising the Warrants is the Warranholder according to the records of DTC. Subject thereto, the New York Warrant Agent shall notify the Issuer of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each

Warrant being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Warrant Agent shall verify that the person exercising the Warrants is the Warrantholder according to the Register. Subject thereto, the Definitive Warrant Agent shall notify the Issuer of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement of each Warrant being exercised.

(C) *Settlement*

(i) Cash Settled Warrants

Subject as provided herein, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses not already paid.

(ii) Physical Delivery Warrants

Subject as provided herein and subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the applicable Exercise Notice. Subject as provided in Condition 4(C) and Condition 4(D), the Entitlement shall be delivered in such manner as set out in the applicable Pricing Supplement.

(D) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by, in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, Clearstream, Luxembourg or Euroclear, as the case may be, or, in the case of Private Placement Definitive Warrants, the Definitive Warrant Agent or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent, in each case, in consultation with the Principal Warrant Agent, and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, the New York Warrant Agent or the Definitive Warrant Agent, as the case may be, as provided in paragraph (A) above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, the New York Warrant Agent or the Definitive Warrant Agent, as the case may be, in consultation with the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Clearstream, Luxembourg, Euroclear, the New York Warrant Agent or the Definitive Warrant Agent, as the case may be, and copied to the Principal Warrant Agent.

If Automatic Exercise is not specified as applying in the applicable Pricing Supplement, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 4(A)(i), in the case of American Style Warrants, or Condition 4(A)(ii), in the case of European Style Warrants, shall become void.

The Issuer shall use reasonable endeavours promptly to notify the Warrantholder submitting an Exercise Notice if it has been determined as provided above that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Warrant Agents, Clearstream, Luxembourg, Euroclear and DTC shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Warrantholder.

(E) Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

(F) Automatic Exercise

This paragraph only applies if Automatic Exercise is specified as applying in the applicable Pricing Supplement and Warrants are automatically exercised as provided in Condition 4(A)(i) or Condition 4(A)(ii).

In order to receive the Cash Settlement Amount, if the Warrants are Cash Settled Warrants, or the Entitlement, if the Warrants are Physical Delivery Warrants, in respect of a Warrant, or if Units are specified in the applicable Pricing Supplement, a Unit, as the case may be, the relevant Warrantholder must: (A) in the case of Warrants represented by a Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, deliver or send by tested telex (confirmed in writing) a duly completed Exercise Notice to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Warrant Agent on any Business Day until not later than 10.00 a.m., Brussels or Luxembourg time (as appropriate), on the day (the **Cut-off Date**) falling 180 days after (i) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants or (B) (i) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver through computerised exercise instruction through DTC (via its "DWAC" function) a duly completed Exercise Notice to the New York Warrant Agent with a copy to the Principal Warrant Agent or (ii) in the case of Private Placement Definitive Warrants, deliver a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrants to the Definitive Warrant Agent with a copy to the Principal Warrant Agent, on any New York Business Day until not later than 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 5(A)(1), Condition 5(A)(2) or Condition 5(A)(3), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to Euroclear, Clearstream, Luxembourg, the New York Warrant Agent or the Definitive Warrant Agent, as the case may be, and a copy thereof delivered to the Principal Warrant Agent is referred to in this Condition 5(F) as the **Exercise Notice Delivery Date**, Provided That (i) in the case of Warrants represented by a Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, if the Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof

is received by the Principal Warrant Agent, in each case, after 10:00 a.m., Luxembourg or Brussels time (as appropriate), on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date and (ii) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Warrant Agent or the copy thereof is received by the Principal Warrant Agent, in each case, after 5.00 p.m., New York City time, on any New York Business Day, such Exercise Notice shall be deemed to have been delivered on the next New York Business Day, and the New York Business Day immediately succeeding such next New York Business Day shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Warrant Agent or the copy thereof received by the Principal Warrant Agent after 5.00 p.m., New York City time, on any New York Business Day, such Exercise Notice shall be deemed to have been delivered on the next New York Business Day, and the New York Business Day immediately succeeding such next New York Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Warrantholder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be (i) in the case of Cash Settled Warrants, the fifth Business Day following the Exercise Notice Delivery Date and (ii) in the case of Physical Delivery Warrants and subject to Condition 5(C)(ii), the fifth Settlement Business Day following the Exercise Notice Delivery Date. In the event that a Warrantholder does not so deliver an Exercise Notice in accordance with this Condition 5(F) prior to (i) in the case of Warrants represented by a Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, 10.00 a.m., Luxembourg or Brussels time (as appropriate), on the Cut-off Date or (ii) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer.

(G) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and neither the Issuer nor the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer and the Warrant Agents shall under any circumstances be liable for any acts or defaults of Clearstream, Luxembourg, or Euroclear, or DTC in relation to the performance of its duties in relation to the Warrants.

6. Minimum and Maximum Number of Warrants Exercisable

(A) *American Style Warrants*

This paragraph (A) applies only to American Style Warrants.

- (i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Pricing Supplement and, if specified in the applicable Pricing Supplement, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Pricing Supplement. Any Exercise Notice

which purports to exercise Warrants in breach of this Condition shall, unless the Issuer otherwise decides, in its sole and absolute discretion, be void and of no effect.

- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the **Quota**), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole and absolute discretion of the Issuer.

(B) European Style Warrants

This paragraph (B) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Pricing Supplement and, if specified in the applicable Pricing Supplement, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Pricing Supplement. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall, unless the Issuer otherwise decides, in its sole and absolute discretion, be void and of no effect.

7. Illegality

If the Issuer determines that the performance of its obligations under the Warrants or that any arrangement made to hedge the Issuer's position under the Warrants has become illegal in whole or in part for any reason, the Issuer may cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10.

Should any one or more of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, as the case may be, held by such holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality, on a day selected by the Issuer in its sole and absolute discretion, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid by or on behalf of the Warrantholder, the Exercise Price, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10.

8. Purchases

Any of the Issuer or its subsidiaries or Affiliates may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation, however,

Warrants so purchased may only be resold pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 144A, Regulation S or otherwise thereunder.

9. Agents, Determinations and Modifications

(A) Warrant Agents

The specified offices of the Warrant Agents are as set out at the end of these Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Warrant Agent and to appoint further or additional Warrant Agents, Provided That no termination of appointment of the Principal Warrant Agent shall become effective until a replacement Principal Warrant Agent shall have been appointed and, Provided That so long as any of the Warrants are listed on a stock exchange, there shall be a Warrant Agent having a specified office in each location required by the rules and regulations of the relevant listing authority and, Provided That so long as any of the Warrants are Private Placement Definitive Warrants there shall be a Definitive Warrant Agent and so long as any of the Warrants are represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, there shall be a New York Warrant Agent. Notice of any termination of appointment and of any changes in the specified office of any Warrant Agent will be given to Warranholders in accordance with Condition 10. In acting under the Warrant Agreement, each Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warranholders and any determinations and calculations made in respect of the Warrants by any Warrant Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warranholders.

(B) Calculation Agent

In relation to each issue of Warrants, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warranholders. All calculations and determinations made in respect of the Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warranholders.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(C) Determinations by the Issuer

Any determination made by the Issuer pursuant to these Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warranholders.

(D) Modifications

The Issuer may modify these Conditions and/or the Warrant Agreement without the consent of the Warranholders in any manner which the Issuer may deem necessary or desirable Provided That either such modification is not materially prejudicial to the interests of the Warranholders (without considering the individual circumstances of any holders of Warrants or the tax or other consequences of such adjustment in any particular jurisdiction) or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Warranholders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. Notices

All notices to Warrantholders shall be valid if delivered (i) (a) in the case of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or a Combined Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, to Clearstream, Luxembourg and Euroclear, (b) in the case of Private Placement Definitive Warrants, to the Definitive Warrant Agent or (c) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, to DTC, in each case for communication by them to the Warrantholders and any such notices shall be conclusively presumed to have been received by the Warrantholders and (ii) if and so long as the Warrants are listed on a stock exchange, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority. If the Warrants are listed on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, notices shall be published in a daily newspaper with general circulation in Luxembourg which is expected to be the *Luxemburger Wort*. Any such notice shall be deemed to have been given on the date of such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

11. Expenses and Taxation

- (A) A Warrantholder must pay all Exercise Expenses relating to such Warrants as provided above.
- (B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

12. Further Issues

The Issuer shall be at liberty from time to time without the consent of Warrantholders to create and issue further Warrants which (i) are expressed to be consolidated and form a single Series with the outstanding Warrants and (ii) are identical in all respects with such Warrants (including as to listing) except for their respective issue dates and/or issue prices.

13. Substitution of the Issuer

The Issuer, or any previous substituted company may, at any time, without the consent of the Warrantholders, substitute for itself as principal obligor under the Warrants any company which is, on the date of such substitution and in the opinion of the Issuer, of at least the equivalent standing and credit rating to the Issuer (the **Substitute**) subject to:

- (a) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Warrants represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;
- (b) the Substitute becoming party to the Warrant Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (c) the Substitute and the Issuer having obtained legal opinions from independent legal advisers of recognised standing in the country of incorporation of the Substitute and England that the obligations of the Substitute under the Warrants are legal, valid and binding obligations and that all consents and approvals as aforesaid have been

obtained and, that the Substitute and the Warrants comply with all applicable requirements of the Securities Act;

- (d) each stock exchange on which the Warrants are listed confirming that, following the proposed substitution of the Substitute, the Warrants will continue to be listed on such stock exchange;
- (e) if appropriate, the Substitute appointing a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants; and
- (f) the Issuer giving at least 30 days' prior notice of the date of such substitution to the Warrantholders in accordance with Condition 10.

Upon such substitution, any reference in these Conditions to the Issuer shall be deemed to be a reference to the Substitute.

For so long as any Warrants are listed on the Luxembourg Stock Exchange, the Issuer and/or the Substitute shall notify the Luxembourg Stock Exchange of any such substitution and shall comply with the requirements of the Luxembourg Stock Exchange in respect of such substitution (including any requirement to publish a supplementary offering memorandum).

14. Governing Law and Jurisdiction

The Warrants, the Global Warrant and the Warrant Agreement are governed by and shall be construed in accordance with English law.

In relation to any legal action or proceedings arising out of or in connection with the Warrants and the Global Warrant (**Proceedings**), the Issuer irrevocably submits to the jurisdiction of the courts of England and hereby waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of each of the Warrantholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer hereby appoints Citigroup Global Markets Limited whose registered office is currently at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as its agent in England to receive service of process in any Proceedings in England based on the Warrants and the Global Warrant. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Warrantholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

15. Terms for Index Warrants, Share Warrants, Debt Warrants and Commodity Warrants

- (A) *Index Warrants (including Index Warrants relating to a Contract)*

For the purposes of this Condition 15(A)

Indices and **Index** mean, subject to adjustment in accordance with this Condition 15(A), the indices or index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly; and

Index Sponsor means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Pricing Supplement.

(1) **Market Disruption**

Market Disruption Event shall mean, in relation to Warrants relating to a single Index or Basket of Indices,

- (x) in respect of an Index other than a Designated Multi-Exchange Index:
 - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (B) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,
 - which in any such case the Calculation Agent determines is material; or
- (y) in respect of an Index which is a Designated Multi-Exchange Index and a Component Security included in such Index either:
 - (a) the occurrence or existence, in respect of any Component Security, of:

- (i) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;
- (ii) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;
OR
- (iii) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; AND

either:

- (1) where the applicable Pricing Supplement does not specify that the X Percentage applies, the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or
 - (2) where the applicable Pricing Supplement specifies that the X Percentage applies, the sum of (A) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists and (B) the X Percentage, comprises 20 per cent. or more of the level of the Index;
OR
- (b) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (b) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (c) an Early Closure, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

As used above:

Early Closure means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

Exchange Disruption means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the Index or such Component Security at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of that Index shall be based on a comparison of (i) the portion of the level of that Index attributable to that security or Component Security, as the case may be, and (ii) the overall level of that Index, in each case either (a) except where the Index is a Designated Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where that Index is a Designated Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

The Calculation Agent shall give notice as soon as practicable to the Warrantheolders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date. Without limiting the obligation of the Calculation Agent to give notice to the Warrantheolders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Warrantheolders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

(2) **Adjustments to an Index**

(a) **Successor Index**

If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (a **Successor Index Sponsor**) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the **Successor Index**) will be deemed to be the Index.

(b) **Modification and Cessation of Calculation of an Index**

If (i) on or prior to any Valuation Date or an Averaging Date the relevant Index Sponsor or, if applicable, the Successor Index Sponsor announces that it will make a material change in the formula for or the method of calculating an Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock, capitalisation and other routine events) (an **Index Modification**), or permanently cancels a relevant Index and no Successor Index exists (an **Index Cancellation**), or (ii) on any Valuation Date or an Averaging Date the Index Sponsor or, if applicable, the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and, together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**), then the Issuer, in its sole and absolute discretion, may take action described in (i) or (ii) below:

- (i) require the Calculation Agent in its sole and absolute discretion to determine if such Index Adjustment Event has a material effect on the Warrants and, if so, to either (A) calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event or (B) substitute the Index with a replacement index using the same or a substantially similar method of calculation as used in the calculation of the Index (the **Substitute Index**) and the Calculation Agent shall determine the adjustments, if any, to be made to these Conditions and/or the applicable Pricing Supplement to account for such substitution; or
- (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, on a day selected by the Issuer in its sole and absolute discretion and taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10.

(c) Correction of an Index

If Correction of an Index is specified as applying in the applicable Pricing Supplement and the official closing level of an Index published on the Valuation Date or an Averaging Date is subsequently corrected and the correction (the **Corrected Index Level**) is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Index Level shall be deemed to be the closing level for such Index for the Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the Cash Settlement Amount.

(d) Notice

The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto.

(B) *Share Warrants*

For the purposes of this Condition 15(B):

Basket Company means a company whose shares are included in the Basket of Shares and **Basket Companies** means all such companies;

Shares and **Share** mean, subject to adjustment in accordance with this Condition 15(B), in the case of an issue of Warrants relating to a Basket of Shares, each share and, in the case of

an issue of Warrants relating to a single Share, such share specified in the applicable Pricing Supplement and related expressions shall be construed accordingly; and

Share Company means, in the case of an issue of Warrants relating to a single share, the company that has issued such share.

(1) **Market Disruption**

Market Disruption Event means, in relation to Warrants relating to a single Share or a Basket of Shares, in respect of a Share:

- (a) the occurrence or existence any time during the one hour period that ends at the Valuation Time for such Share:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise:
 - (A) relating to the Share on the relevant Exchange; or
 - (B) in futures or options contracts relating to the Share on any relevant Related Exchange; or
 - (ii) of any event (other than as described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions, in or obtain market values for, the Share on the relevant Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange; or
- (b) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

The Issuer shall give notice as soon as practicable to the Warrantheholders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date. Without limiting the obligation of the Calculation Agent to give notice to the Warrantheholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Warrantheholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

(2) **Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency and Correction of Share Prices**

- (a) **Potential Adjustment Event** means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another share issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend;
- (iv) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Basket Company or any of its subsidiaries or a Share Company or any of its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides, upon the occurrence of certain events, for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, Provided That any adjustment effected as a result of such an event may, in the sole and absolute discretion of the Calculation Agent, be readjusted upon any redemption of such rights; or
- (vii) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Shares.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative or other effect (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date(s) of the adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such

Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement and giving brief details of the Potential Adjustment Event.

- (b) **De-listing** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

Merger Date means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

Merger Event means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, or (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Warrants, the last occurring Valuation Date or where Averaging is specified in the applicable Pricing Supplement, the final Averaging Date

in respect of the relevant Warrant or (b) in the case of Physical Delivery Warrants, the relevant Settlement Date.

Nationalisation means that all the Shares or all or substantially all the assets of a Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

Tender Offer means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include without limitation, (i) adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Warrants or (ii) the substitution of the relevant Share. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or
- (ii) cancel the Warrants by giving notice to Warrantheolders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantheolder in respect of each Warrant or, if Units are specified in the applicable Pricing Supplement, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, on a day selected by the Issuer in its sole and absolute discretion and taking into account the Merger Event, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 10; or
- (iii) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier

and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent, would have given rise to an adjustment by the Options Exchange if such options were so traded.

- (c) If Correction of Share Prices is specified as applying in the applicable Pricing Supplement and the price of a Share published on the Valuation Date or an Averaging Date is subsequently corrected and the correction (the **Corrected Share Price**) is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Share Price shall be deemed to be the closing price for such Share for the Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Share Price in determining the Cash Settlement Amount.
- (d) Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 stating the occurrence of the Merger Event, De-listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(C) *Debt Warrants*

Market Disruption

Market Disruption Event shall mean the suspension of or limitation imposed on trading either (i) on any exchange on which the Debt Securities or any of them (in the case of a Basket of Debt Securities) are traded or (ii) on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a Basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Market Disruption Event has occurred.

(D) *Commodity Warrants*

Market Disruption

Market Disruption Event shall mean the suspension of or limitation imposed on trading either (i) on any exchange on which the Commodity or any of the Commodities (in the case of a Basket of Commodities) are traded or (ii) on any exchange on which options contracts or futures contracts with respect to the Commodity or any of the Commodities (in the case of a Basket of Commodities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Market Disruption Event has occurred.

(E) *Index Warrants relating to a Contract*

(a) Adjustment to a Contract

In the event that the terms of the Contract are changed or modified by the Related Exchange, the Calculation Agent shall, if necessary, make the appropriate adjustments to the provisions for determining the Settlement Price and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for such change.

(b) Adjustment of the Official Settlement Price

Subject to paragraph (a) above, the Calculation Agent shall ignore, for the purposes of determining the Settlement Price, adjustments made by the Related Exchange to the method of calculation of the Official Settlement Price.

(c) Non-Commencement or Discontinuance of a Contract

Subject to paragraph (b) above, if there is no Official Settlement Price as a result of the fact that trading in the Contract never commences or is permanently discontinued at any time on or prior to the Expiry Date, the Official Settlement Price shall be deemed to be (i) in the case of an Index Warrant relating to a Contract other than where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level of the relevant Index on the relevant Exchange as determined by the Calculation Agent and (ii) in the case of an Index Warrant relating to a Contract where the relevant Index is specified in the applicable Pricing Supplement to be a Designated Multi-Exchange Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level of the Index as calculated and published by the Index Sponsor, in each case on the Expiry Date which for these purposes shall be the date that, but for the non-commencement or permanent discontinuance of the Contract, would have been the Expiry Date, or if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless such day is a Disrupted Day, in which case the Calculation Agent shall determine the level of the Index for that date in accordance with sub-paragraph (i)(a) of the definition of "Valuation Date" in Condition 3.

(d) Corrections of the Official Settlement Price

If Correction of Official Settlement Prices is specified as applying in the applicable Pricing Supplement and the Official Settlement Price published by the Related Exchange or its clearing house on the Expiry Date is subsequently corrected and the correction (the **Corrected Official Settlement Price**) is published by the Related Exchange or its clearing house prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Official Settlement Price shall be deemed to be the Official Settlement Price for the Contract for the Expiry Date and the Calculation Agent shall use such Corrected Official Settlement Price in determining the Cash Settlement Amount.

(e) Notice

The Calculation Agent shall give notice as soon as practicable to the Warrantheolders in accordance with Condition 10 of any adjustment or determination made by it pursuant to paragraphs (a), (b), (c) and/or (d) above.

16. Adjustments for European Monetary Union

The Issuer may, without the consent of the Warrantheolders, on giving notice to the Warrantheolders in accordance with Condition 10:

- (i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants shall be redenominated in euro;

The election will have effect as follows:

- (A) where the Settlement Currency of the Warrants is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in euro as though references in the Warrants to the Settlement Currency were to euro;
 - (B) where the Exchange Rate and/or any other terms of these Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the **Original Currency**) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be, into euro at the Established Rate; and
 - (C) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Calculation Agent, to conform them to conventions then applicable to instruments expressed in euro; and/or
- (ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Settlement Price and/or the Exercise Price and/or any other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Settlement Price and/or the Exercise Price and/or such other terms of these Conditions and/or the applicable Pricing Supplement.

Notwithstanding the foregoing, none of the Issuer, the Calculation Agent and the Warrant Agents shall be liable to any Warrantheolder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

In this Condition, the following expressions have the following meanings:

Adjustment Date means a date specified by the Issuer in the notice given to the Warrantheolders pursuant to this Condition which falls on or after the date on which the

country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

Established Rate means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 109I(4) of the Treaty;

euro means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

National Currency Unit means the unit of the currency of a country, as such unit is defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

Treaty means the treaty establishing the European Community, as amended.

17. Listing of Warrants

In respect of Warrants which are listed on a stock exchange, the Issuer shall use all reasonable endeavours to have such Warrants approved for listing on the relevant stock exchange and to maintain such listing so long as any of such Warrants are outstanding, Provided That:

- (a) if it is impracticable or unduly burdensome, in the sole and absolute opinion of the Issuer acting in good faith, to maintain such listing due to changes in listing requirements occurring after the Issue Date of the first tranche of the Warrants, or
- (b) if the maintenance of the listing of the Warrants has, in the sole and absolute opinion of the Issuer, become unduly onerous for any reason whatsoever, including, but not limited to, the need for the Issuer to meet the requirements introduced following implementation of Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading or the proposed directive of the European Parliament and of the Council on the harmonisation of transparency requirements with regard to information about issuers whose securities are admitted to trading on a regulated market (which test, for the avoidance of doubt but without limitation, would be satisfied if the Issuer would be required to publish financial information according to accounting principles or standards that are materially different from United States generally accepted accounting principles),

then the Issuer may de-list such Warrants from such stock exchange in accordance with the rules of the relevant stock exchange Provided That it shall use all reasonable endeavours to obtain and maintain as soon as reasonably practicable after such de-listing an alternative admission to listing, trading and/or quotation of the relevant Warrants by an appropriate stock exchange within or outside the European Union, as it may decide.

If, in the sole and absolute opinion of the Issuer, such admission to listing, trading and/or quotation on an appropriate stock exchange is not available or if obtaining or maintaining such admission would be, in the sole and absolute opinion of the Issuer, unduly burdensome, the Issuer shall not be required to obtain such admission and shall have no further obligation to obtain or maintain any listing, trading and/or quotation for the relevant Warrants.

Appropriate stock exchange means a stock exchange on which, in the sole and absolute opinion of the Issuer, it is customary in the sphere of international finance to list securities such as the relevant Warrants.

18. Contracts (Rights of Third Parties) Act 1999

The Warrants do not confer on any person any right under the Contracts (Rights of Third Parties) Act 1999 (the **Act**) to enforce any term of the Warrants. This provision does not affect any right or remedy of any person which exists or is available apart from the Act.