

STRUCTURED PRODUCTS STANDARD TERMS
of The Ultima Products HK Limited for clients of The Ultima World (DIFC) Limited

The Ultima Products HK Limited (“we”, “us” or “our”) is a company incorporated and registered in Hong Kong with Business Registration Number 75650820, whose registered office is at Suite 1201, 12/F., Chinachem Leighton Plaza, No. 29 Leighton Road, Causeway Bay, Hong Kong.

Our website: <https://ultimaproducts.hk>

1. Products

1.1 Subject to clause 1.3 below, we may from time to time agree to enter into bilateral over-the-counter (OTC) derivative transactions with persons or entities meeting the requirements set out herein (you). Each such transaction shall be referred to herein as a “**Product**” and shall be governed by the terms and conditions set out in these Structured Products Standard Terms and product specific term sheets applicable to each particular Product as available on our website (“**Term Sheets**”).

1.2 The Products may not be a suitable investment for all investors. In order to comply with the applicable laws and regulations and to assist you with understanding the nature, risks, costs, potential gains and losses of each of the Products in comparison with other investments we have prepared the Key Information Documents that are accessible through our website. Before investing in any Product, you shall carefully consider the information contained in the relevant Key Information Document.

1.3 You shall enter into Products with us using your trading account with The Ultima World (DIFC) Limited (“**Intermediary**”). You understand and agree that the decision to provide you with the relevant services in respect of any Product is subject to the Intermediary’s own and absolute discretion. We do not provide any warranty that any Intermediary will indeed agree to provide you such services.

1.4 In order to enter into a Product with us you shall instruct your Intermediary to deliver for and on your behalf a written request to us containing a reference to the applicable Term Sheet, indicating the amount of your investment (“**Notional**”) and specifying your contact and account details (“**Request**”). You shall be bound by the terms of the Product upon us confirming our acceptance of the Request in writing (“**Confirmation**”).

1.5 You understand and agree that:

- (a) we may, in our sole discretion, refuse to accept any Request and/or enter into any and all Products with you, even when the relevant Term Sheets for such Products are published on our web-site or made available to you or accessible by you otherwise;
- (b) we may, at any time make any and all Products unavailable for you to enter into;
- (c) we may not be able to accept any Request and/or enter into any Product with you based on the country of your nationality, place of residence, location and/or incorporation and/or your status;
- (d) our website may not be accessible in part or in full based on your place of residence or current location. This applies in particular to cases where you reside or located in a country where the distribution of information contained on our website may contravene the laws of that jurisdiction.

1.6 You confirm, agree and understand that:

- (a) you took the steps to request entry into the Products on your own initiative and that we did not approach you in this regard;
- (b) we may not and do not provide investment or trading advice or solicit you in relation to any of the Products or otherwise and none of the information or other material provided by us or on our behalf including, without limitation, any information on our website, constitutes an offer, recommendation or a solicitation to enter into any Products or other investments;
- (c) the decision to enter into any Products remains with you at all times and that you retain full responsibility for all investment decisions and their potential and factual outcomes;

- (d) we may at our own discretion or as may be agreed between you and us alter Payment currency subject to any Intermediary, bank, third party technical and other restrictions (limits) upon prior notification in order to fulfill obligations;
- (e) although we provide you with appropriate and reasonable information for you to understand the risks associated with particular Products and take informed decisions, you shall make your own assessment of the Products and exercise your own judgement on the merits and associated risks. In this regard, you should note that if we merely explain the terms of a Product or its performance characteristics this does not of itself amount to advice on the merits of a Product or on its financial, legal or tax consequences.

2. Product Documents

- 2.1. All Products are entered into in reliance on the fact that these Standard Terms, all Confirmations and all applicable Term Sheets (**Product Documents**) form a single agreement between you and us.
- 2.2. In the event of any inconsistency between the provisions of any Term Sheet and these Standard Terms, such Term Sheet will prevail for the purposes of the relevant Product.
- 2.3. The definitions and rules of interpretation contained in clause 12 and elsewhere in these Standard Terms will have the meanings therein specified for the purposes of the Product Documents unless the relevant Term Sheet provides otherwise.
- 2.4. We will notify you of any material changes to these Standard Terms in writing and/or by posting updated versions of the Standard Terms on our website. Unless we notify you otherwise or the any applicable laws or regulations otherwise require, any amendment to the Standard Terms shall take effect 10 business days after the date of notification. No such variation shall affect the content of the Term Sheets.

3. Representations and Warranties

- 3.1. On a continuous basis, you represent and warrant to us and agree that:
- 3.1.1. you have been duly incorporated and validly existing under the law of your jurisdiction of incorporation, where relevant, and have the power, capacity and authority to carry on your business as it is being conducted in any relevant jurisdiction such as your country of incorporation or country where you have your registered seat or where you reside or domicile or have your principal place of business;
- 3.1.2. you have the power, capacity and authority to execute, deliver and perform your obligations under the Product Documents, and no limit on your powers, capacity and authority will be exceeded as a result of entering into the Product Documents, and that the Intermediary has all requisite power and authority and/or appropriate regulatory or governmental consents (if applicable), to bind you with the Product Documents and otherwise act as agent for and on your behalf in relation to the Product;
- 3.1.3. the execution, delivery and performance of your obligations under the Product Documents do not and will not contravene or conflict with your constitutional documents and/or any agreement or instrument binding on you or any of your assets;
- 3.1.4. if relevant, you are authorised under all applicable laws and regulations and have all necessary permissions in each case to enable you to perform your obligations under the product and have taken all necessary action and obtained all requisite or desirable authorisations, corporate or other consents to enable you to execute, deliver and perform your obligations under the Product Documents and to make them admissible in evidence in your jurisdiction of incorporation, residence, domicile or principal place of business;
- 3.1.5. your obligations under the Product Documents are legal, valid, binding and enforceable and the Product Documents create (or, once entered into, will create) valid and legally binding obligations enforceable against you in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally;

- 3.1.6. it is not necessary to file, record or enroll any Product Documents with any court or other authority or pay any stamp, registration or similar taxes in relation to the Product Documents, other than as required by English law;
- 3.1.7. the choice of English law as the governing law of the Product Documents will be recognised and enforced in your jurisdiction of incorporation, residence, domicile or principal place of business and any judgment obtained in relation to the Product Documents will be recognised and enforced in that jurisdiction;
- 3.1.8. prior to entry into any Product you have downloaded, read and understood the Key Information Document relating to that Product as published on our website;
- 3.1.9. you fully understand, accept and will be able to bear the economic risks of each of the Products you invest in up to the total loss of the Notional;
- 3.1.10. no event of default has occurred, is continuing or will occur as a result of entering into or performing your obligations under the Product Documents and no other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument or any law or regulation or judicial or official order which is binding on you;
- 3.1.11. no litigation, arbitration or administrative proceedings are taking place, pending or, to your knowledge, threatened against you and, where relevant, any of your directors at law or in equity before any court, tribunal, governmental body, agency or official or any arbitrator;
- 3.1.12. you are the ultimate beneficiary of any and all income which may be paid to you under any Product, i.e. the person who actually benefits from the income and determines its further economic fate;
- 3.1.13. you are subject to tax in the country of your tax residency;
- 3.1.14. you will fully discharge any tax liabilities, which may arise in relation to any income, capital gain or otherwise which may be paid to you under any Product as and when they fall due;
- 3.1.15. your source of wealth and the source of funds in respect of any Notional are good, clean, cleared, of non-criminal origin and were legally earned;
- 3.1.16. you abide and will abide by specific anti-abuse provisions in relevant international tax treaties and general anti-abuse rules at all times and will not engage in any activity, practice or conduct which would constitute a tax evasion facilitation offence under any applicable laws and regulations;
- 3.1.17. you are entering into the Product Documents at your own initiative without any solicitation by us or any of our Affiliates and have made your own independent decision with respect to the matters contemplated by the Product Documents with no reliance being made upon us; and
- 3.1.18. you have received independent tax, legal and any other kind of advice on the matters specified in the Product Documents;
- 3.1.19. you are not a citizen or resident of or person domiciled, registered or present in Hong Kong.

4. Events of Default

- 4.1. Each of the following events in relation to you shall constitute an **Event of Default**:
- 4.1.1. you fail to make any payment when due under or to make delivery of any property when due, or to observe or perform any other provision of the Product Documents, including but not limited to, any payment using cash or other assets without your legal right to title to such cash or assets;
- 4.1.2. you admit to us that you are unable to or intend not to perform any of your obligations to us under the Product Documents or any Product;
- 4.1.3. an event of default or equivalent event (however described) occurs under any agreement between you and us or any of our Affiliates;

- 4.1.4. any material document or constitutional document is modified in a manner, which, in our reasonable discretion, may have a material adverse effect on any Product or on your ability to perform your obligations to us;
- 4.1.5. you disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge validity, legality or enforceability of the Product Documents or any Product;
- 4.1.6. any Product is or becomes unenforceable, invalid or illegal;
- 4.1.7. any of your assets are transferred or ordered to be transferred to a trustee or any governmental authority or agency;
- 4.1.8. any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened against you or your assets;
- 4.1.9. a representation made or repeated or deemed to have been made or repeated proves to have been incorrect, inaccurate or misleading in any material respect;
- 4.1.10. you seek, consent to or acquiesce in the commencement of proceedings for liquidation, bankruptcy, examinership or any similar or analogous proceeding in any jurisdiction or the appointment of a liquidation committee or similar body or official;
- 4.1.11. your shareholders (members), where relevant, taking a resolution for your liquidation, dissolution or winding-up or any similar or analogous proceeding in any jurisdiction;
- 4.1.12. a petition is presented or filed or claim lodged against you with any court, authority or body, private or state arbitration court or authority or body or any other body for insolvency, bankruptcy, dissolution, liquidation or winding-up (or any analogous or similar proceedings) in any jurisdiction;
- 4.1.13. any bankruptcy prevention measures are instituted or a liquidation or creditor's committee, liquidator, conservator, custodian, trustee or a temporary administrator, external administrator, receiver or similar or analogous officer is appointed by any relevant governmental, regulatory or supervisory body or your own initiative;
- 4.1.14. your sole executive body, its deputies, any member of your collegiate executive body, chief accountant, its deputies, any member of your board of directors (supervising board), where relevant, are required to be replaced by any relevant governmental, regulatory or supervisory body;
- 4.1.15. a meeting of creditors is convened to consider an amicable settlement, or intent to convene such meeting is stated;
- 4.1.16. any bankruptcy proceedings, including supervision, financial rehabilitation, external management or liquidation procedure, as the case may be, are commenced with respect to you; or
- 4.1.17. your financial condition meets the insolvency (bankruptcy) criteria and/or constitutes a ground for institution of bankruptcy prevention measures, including where any relevant governmental, regulatory or supervisory body in or of your country of incorporation, residence, domicile or principal place of business, as applicable, requiring you to take bankruptcy prevention measures provided for in the laws of that country.
- 4.2. If an Event of Default occurs in relation to you, you shall immediately give written notice thereof to us (either directly or through an intermediary), specifying the relevant Event of Default. Neither the existence nor non-existence of such notification by you shall prejudice the rights and remedies available to us under the Product Documents or any applicable law or regulation.
- 4.3. We may (and you hereby irrevocably and unconditionally authorise us to) without prior notice to you or prior authorisation from any court, on or at any time after the occurrence of an Event of Default terminate any Product by paying you the Early Termination Amount calculated in accordance with the relevant provisions of the related Term Sheet. In such case, the date we became aware of the Event of Default shall be deemed the Early Termination Date.

5. Termination

5.1. Each Product shall terminate either on the relevant Maturity Date or otherwise as specified in the related Term Sheet.

5.2. Without prejudice to anything contained in clause 4 above you may terminate a Product at any time by giving written notice of early termination to us (either directly or through an Intermediary). In such case, we shall pay you the Early Termination Amount within 5 Business Days of receipt of that notice and the Product shall terminate immediately thereupon.

5.3. We have the right to terminate any Product upon us becoming aware that you died, declared dead or missing, or, by reason of illness or incapacity (whether mental or physical), are incapable of managing your own affairs or you become a patient under any mental health legislation. In such case, we shall be obliged to pay the Early Termination Amount. For those purposes in such case the date we became aware of such event changes shall be deemed the Early Termination Date.

We have the right to terminate any Product at any time by giving written notice of early termination to you (either directly or through an Intermediary) on terms not less favourable than terms on the Trade Date (Initial Investment Amount) without prejudice to anything contained in clause 4 above.

6. Liability and Indemnity

6.1. We will not be liable to you for any actions, claims, demands, liabilities, proceedings, costs, fees, charges, losses, expenses, settlements, taxes, duties, levies, damages and liabilities of every description (including without limitation legal fees, accountant's fees, interest, fines and penalties) whether actual or future (**Loss**), which may be sustained or incurred by or asserted against you in connection with the Product Documents or any Product unless such Loss has been proved to directly arise from our gross negligence, willful misconduct or fraud. In no event shall we be liable for any indirect, consequential or special loss, howsoever arising.

6.2. We shall be released from liability pursuant to this clause 6 to the extent that your Loss is incurred as a result of gross negligence, willful misconduct or fraud on your own behalf or, where relevant, on behalf of any of your employees, officers, agents or other authorised persons. Except as otherwise expressly stated herein, we shall not be responsible for Loss resulting from an act or omission of any third party, whether or not appointed by us, which is beyond our control and shall not be obliged to request such third party to comply with its obligations but undertake to provide reasonable assistance to you in doing so.

6.3. You as principal obligor and as a separate and independent obligation and liability from other your obligations and liabilities hereunder, undertake to indemnify us, any of our affiliates and each of our and their directors, officers, employees, financiers, auditors, partners, agents or advisers (**Indemnified Party**) within 5 Business Days of demand against any and all Loss, which may be sustained or incurred by or asserted against any Indemnified Party arising out of, in connection with, or as a result of:

- (i) any breach of warranties and representations hereunder by you;
- (ii) acting or relying on any notice, request, information or instruction which an Indemnified Party reasonably believes to be genuine, correct and appropriately authorised by you;
- (iii) any obligation or liability under the Product Documents being or becoming unenforceable, invalid or illegal or not being recoverable for any other reason whatsoever;
- (iv) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the indemnity, guarantee, security or any other right or interest constituted by the Product Documents or defending successfully against any claims of fraud, negligence or willful default; or

- (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnified Party is a party thereto;

save where such Loss is incurred as a result of the gross negligence, fraud or willful default on behalf of the relevant Indemnified Party.

6.4. Each indemnity in the Product Documents:

- (i) is a separate and independent obligation from the other obligations in the Product Documents;
- (ii) gives rise to a separate and independent cause of action;
- (iii) applies whether or not any indulgence is granted by an Indemnified Party;
- (iv) shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Product Documents, or any other judgment or order; and
- (v) shall continue in full force and effect notwithstanding the termination of any Product.

6.5. We will not be liable to you or any other parties for any delay in performance, or for the non-performance of any of our obligations hereunder by reason of any cause beyond our reasonable control or for any Loss caused by the occurrence of any contingency beyond our reasonable control. This includes without limitation acts of God or other natural disaster; epidemic or pandemic; terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, imposing or changing (including a change of interpretation) any law or governmental or regulatory requirement or failing to grant a necessary license or consent; collapse of buildings, fire, explosion or accident; any labour or trade dispute, strikes, industrial action or lockouts; non-performance by subagents or intermediaries; insolvency, default, suspension, failure or closure of any market, exchange, clearing house, settlement or credit institution; limits on trading, rulings by any exchange or market or other regulatory or self-regulatory organisation; interruption or failure of any power or telecommunication lines, computer systems or utility service.

7. Confidentiality

7.1. Each party undertakes to keep all information relating to the other party's business, customers or financial or other affairs that is of a confidential nature and which is not in the public domain (**Confidential Information**) strictly confidential and:

- (i) shall not use any Confidential Information for any purpose other than the performance and discharge of its respective obligations under the Product Documents;
- (ii) without prejudice to clause 7.2, shall not disclose any Confidential Information to any person except with the prior written consent of the other party; and
- (iii) shall undertake reasonable efforts to prevent the use or disclosure of the Confidential Information other than in accordance with this clause.

7.2. We may and you agree that we may, without notice to you, disclose any Confidential Information relating to you to our directors, officers, employees and to our Affiliates and their respective directors, officers, employees, our or their external lawyers, accountants, auditors, insurers and others providing advice and/or other services to us or the relevant Affiliate; to issuers, registrars, clearing agents, trading

venues, central counterparties, clearing organisations, trade repositories, depositaries, custodians, other agents or service providers or other execution venues or platforms to the extent that such disclosure is necessary for the purposes of discharging our obligations under the Product Documents. We may also disclose any Confidential Information to any governmental, banking, taxation, regulatory, supervisory, self-regulatory or administrative or other authority or similar or analogous body, or any other person to the extent that we are required to do so by virtue of any applicable laws and regulations or by any court of competent jurisdiction.

8. Personal Data

8.1. You and we agree that we and you are each a data controller with respect to the personal data used in the course of processing activities contemplated hereunder. Further details of the processing activities, which we may undertake in connection with these Terms may be found on request in our privacy policy.

8.2. You represent and warrant to us and agree that you have the right to provide personal data to us and that you will provide any requisite notice to individuals and ensure that there is a proper legal basis for us to process the personal data as described in and for the purposes detailed in our Privacy Notice.

8.3. We may contact you, or where relevant, your employees on your behalf, by mail, SMS, telephone, e-mail and any other electronic means to provide information on products and services that we believe will be of interest to you, unless we receive a written objection to receiving such information. Anyone who does not wish to receive such communications from us should contact us as set out in our Privacy Notice.

9. Complaints

9.1. We are committed to maintain effective and transparent procedures for the reasonable and prompt handling of complaints or grievances received from our clients.

9.2. If you wish to make a complaint or grievance about our dealings with you, you may communicate the same to us by e-mail at info@ultimaproducts.hk; or by post at: Suite 1201, 12/F., Chinachem Leighton Plaza, No. 29 Leighton Road, Causeway Bay, Hong Kong.

9.3. You understand and agree that any complaint regarding the conduct of any Intermediary shall be submitted directly to that Intermediary.

10. Miscellaneous

10.1. The Product Documents shall be personal to you and accordingly neither the benefit of nor the obligations under the Product Documents may be assigned, transferred or delegated by you to any third party without our prior written consent. Notwithstanding the foregoing, we may, in our sole and absolute discretion, delegate the performance of our obligations and novate, assign or charge any rights, benefits and obligations under any Product Documents on such terms, as we consider appropriate, to a third party by giving written notice to you.

10.2. The Product Documents constitute the entire agreement between you and us and supersede and extinguish all previous drafts, agreements, arrangements and understandings, whether written or oral, relating to the subject matter of the Product Documents.

10.3. You acknowledge and agree that in conducting business with us hereunder, you do not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person other than as expressly set out in the Product Documents.

10.4. Any notice or notification (including, without limitation, any Confirmation) that we are required or permitted to give to you under the Product Documents may be provided by us to your Intermediary.

Any notice to be provided to us by you shall be provided to us by the Intermediary and we shall not be obligated to act or rely on any notice otherwise received by us.

10.5. If any court or competent authority finds that any clause or provision of the Product Documents (or part of any clause or provision) is invalid, illegal or unenforceable, that clause or provision or of the clause or provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Product shall not be affected. If any invalid, unenforceable or illegal provision of the Product Documents would be valid, enforceable and legal if some part of it were or were to be deleted, the respective clause or provision shall be deemed to apply with the minimum modification necessary to make it legal, valid and enforceable and taking into consideration the intention of the parties.

10.6. Any provision of the Product Documents that expressly or by implication is intended to come into or continue in force on or after termination of any Product including clauses 6, 7, 10 and 11 shall remain in full force and effect.

10.7. The Product Documents and Key Information Documents are supplied to you in English, we will continue to communicate with you, and you shall communicate with us, in English.

10.8. We and our Affiliates may offer you translations of the Product Documents and Key Information Documents or any associated document to a number of languages for your comfort of use. In case of discrepancy between the original English text of a document and any translation, the original English text shall prevail. You are advised to carefully examine the original English text of any document before acting upon a translation thereof. If you do not fully understand the original English text, you are strongly encouraged to seek assistance by a qualified independent translator. We shall not be bound by, or liable to you for, an incomplete or inaccurate translation of an original English text of any document to another language.

11. Governing Law and Jurisdiction

11.1. The Product Documents and any disputes or claims arising out of or in connection with the Product Documents or their subject matter, formation, validity, enforceability or termination (including non-contractual disputes or claims) (**Dispute**) are governed by, and construed in accordance with, the laws of England.

11.2. Each party irrevocably agrees that the courts of the England shall have exclusive jurisdiction over any Dispute.

11.3. You hereby irrevocably waive to the fullest extent permitted by law, all sovereign or other immunities and privileges, you and your revenues and assets may be subject or might otherwise be entitled in any jurisdiction, including without limitation, suit and legal process, jurisdiction of any court, relief by way of injunction or order for specific performance or recovery of property, attachment or seizure of your assets (irrespective of their use or intended use) whether before or after judgement and execution or enforcement of any judgment or award by any means. You consent to the grant of such relief in any form and irrevocably agree that you will not claim any such immunity or privilege in any suit, action or proceeding relating to any Dispute.

12. Definitions

12.1. The following definitions apply in to all the Products:

Affiliate: in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person, or any entity directly or indirectly under common control with the person with “control” meaning the ownership of and/or the ability to control through contract or otherwise, directly or indirectly, more than fifty percent of the voting securities or other equity

ownership interest entitled to elect the board of directors, or similar governing body, of such person.
Business Day: (a) a day other than a Saturday, Sunday or a public holiday Hong Kong when banks in Hong Kong are open for general business; and (b) in relation to the payment of any sum, a day other than a Saturday or a Sunday on which banks are open for business in the principal financial centre of the country of which the currency in which the payment is denominated is the official currency.

Buyer: the party specified as such in the relevant Term Sheet.

Credit Derivative Transaction or CDT: a Product that is specified as “CDT” or “Credit Derivative Transaction” in the related Term Sheet.

Early Termination Amount: the amount you shall receive in case you decide to terminate a Product before the relevant Maturity Date as calculated in accordance with the related Term Sheet.

Early Termination Date: the date we receive your notice of early termination in accordance with clause 5.2 or, where applicable, the date determined by us in accordance with clause 4.3 or 5.3.

Eligible Notional: requirements to Notional in terms of amounts and currency as set out in relevant Term Sheet.

Equity Derivative Transaction or EDT: a Product that is specified as “EDT” or “Equity Derivative Transaction” in the related Term Sheet.

Maturity Date: the date specified as such in the related Term Sheet.

Notional: an amount of your investment in a Product.

Seller: the party specified as such in the relevant Term Sheet.

Transaction Currency: the currency of the Notional.

12.2. The following definitions apply to Equity Derivative Transactions:

Affected Share: a Share affected by a Potential Adjustment Event or an Extraordinary Event (as the case may be).

Basket: a hypothetical portfolio comprised of several different Shares in a certain proportion (the Weighting) as specified in the relevant Term Sheet (where applicable).

Closing Price: a price at the close of trading at the relevant Exchange, as published on the relevant page in Bloomberg Terminal and obtained by means of “historical prices (hp)” function.

Current Price: the Closing Price of the relevant Share on any Event Determination Date, Redemption Valuation Date or Early Termination Valuation Date (as the case may be).

Delisting: any event when the Exchange announces that pursuant to the rules of such Exchange, the Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Potential Adjustment Event) and is 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 any member state of the European Union).

Early Termination Valuation Date: the Early Termination Date, unless such day is not a Scheduled Trading Day for any particular Share, then in respect of that particular Share the immediately preceding Scheduled Trading Day.

Event Determination Date the date (if any) specified as such in the related Term Sheet, and if such day is not a Scheduled Trading Day for any particular Share, in respect of that particular Share the immediately preceding Scheduled Trading Day.

Exchange: a stock exchange or quotation system referenced by the Ticker of a Share (as specified in the relevant Term Sheet).

Extraordinary Event: any of the following events with respect to a Share: Nationalization, Insolvency, Delisting or any other event that leads to us not being able to determine the Current Value of the Affected Share other than those occurred as a result of our gross negligence or willful misconduct.

Final Exchange Rate: the rate of conversion between the currency of a relevant Share and the Transaction Currency as published on the Bloomberg BFIX page in the Bloomberg Terminal at 18:30:00 (Greenwich Mean Time, GMT) on the Maturity Date. If no such rate is available at such time the Final Exchange Rate shall be the rate of conversion between the currency of a relevant Share and USD as published on the Bloomberg BFIX page in the Bloomberg Terminal at 18:30:00 (Greenwich Mean Time, GMT) on the Maturity Date divided by the rate of conversion between the Transaction Currency and USD as published on the Bloomberg BFIX page in the Bloomberg Terminal at 18:30:00 (Greenwich Mean Time, GMT) on the Maturity Date. If no rates mentioned above are available then the rate of conversion, at the close of the relevant date, between the currency of the relevant Share and the Transaction Currency as published at reuters.com in currencies section shall apply, if neither of the three are available at such time the Seller shall determine the Final Exchange Rate in a commercially reasonable manner.

Initial Price: the Closing Price of a Share as of a relevant Valuation Date.

Insolvency: any event when by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Issuer, (A) all the shares of that Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the shares of that Issuer become legally prohibited from transferring them.

Issuer: in respect of a Share, the issuer of the relevant Share.

Merger Event: in respect of any relevant Share, any (i) reclassification or change of such Share that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Issuer with or into another entity or person, (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding shares of the Issuer 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 Issuer or its subsidiaries with or into another entity in which the Issuer is the continuing entity and results in the outstanding shares of the Issuer immediately prior to such event (other than shares owned or controlled by such other entity) collectively representing less than 50% of the outstanding shares of the Issuer immediately following such event (a “Reverse Merger”).

Nationalization: an event when all the shares or all or substantially all the assets of an Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

Potential Adjustment Event: any of the following events with respect to an Affected Share: (i) a Merger Event; (ii) a subdivision, consolidation or reclassification of a relevant Share, or a free distribution or dividend of any such Share to existing holders by way of bonus, capitalization or similar issue; (iii) a distribution, issue or dividend to existing holders of the relevant Share of (A) such Share, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Share, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Issuer 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 (cash or other consideration) at less than the prevailing market price as determined by us; (iv) a call by the Issuer in respect of a relevant Share that is not fully paid; (v) a repurchase by the Issuer or any of its subsidiaries of a relevant Share whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; (vi) in respect of the Issuer, 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 the Issuer 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 us, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; (vi) any other event having, in our reasonable opinion, a diluting or concentrative effect on the theoretical value of the relevant Share.

Redemption Valuation Date: the Maturity Date, and if such day is not a Scheduled Trading Day for any particular Share, in respect of that particular Share the immediately preceding Scheduled Trading Day.

Scheduled Trading Day: any day on which the relevant Exchange in respect of a particular Share is scheduled to be open and actually open for trading for and during its respective regular trading session.

Share: a share or other security specified as such in the related Term Sheet. Shares are underlying assets of the Products.

Valuation Date: the date (if any) specified as such in the related Term Sheet, and if such day is not a Scheduled Trading Day for any particular Share, in respect of that particular Share the immediately preceding Scheduled Trading Day.

Weighting: the weighting of each Share in a Basket as specified in the relevant Term Sheet (where applicable).

12.3. The following definitions apply to Credit Derivative Transactions:

Bankruptcy:

- (i) In respect of any Reference Entity – an occurrence of an event or a circumstance whereby the Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective, (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof, (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter, or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified herein;

Coupon: the amount payable by the Buyer to the Seller for the relevant Coupon Period as a premium for assuming credit exposure to the Reference Entity(-ies). The formula for Coupon calculation shall be set out in the relevant Term Sheet;

Coupon Period End Dates: each date specified as such in the relevant Term Sheet;

Coupon Period: each period from, and including, one Coupon Period End Date to, but excluding, the next following Coupon Period End Date, except that (a) the initial Coupon Period will commence on and include the Effective Date and (b) the final Coupon Period will end on and include the Maturity Date.

Coupon Rate: an interest rate specified in the relevant Term Sheet;

Credit Event Notice: an irrevocable notice from a Buyer to the Seller that describes a Credit Event that occurred on or before the Maturity Date. Sending the Credit Event Notice triggers settlement under the terms of the Credit Derivative Transaction as specified in the related Term Sheet;

Credit Event: with respect to a Credit Derivative Transaction, one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, Governmental Intervention, Illegality. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defense based upon (a) any lack or alleged lack of authority or capacity of the Reference Entity to bind itself under any Reference Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Reference Obligation or, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

Exchange Rate: in respect of any given day, the rate of conversion between the currency of a relevant Reference Obligation and the Transaction Currency as published on the Bloomberg BFIX page in the Bloomberg Terminal at 18:30:00 (Greenwich Mean Time, GMT). If no such rate is available at such time the Exchange Rate shall be the rate of conversion between the currency of a relevant Reference Obligation and USD as published on the Bloomberg BFIX page in the Bloomberg Terminal at 18:30:00 (Greenwich Mean Time, GMT) on such day, divided by the rate of conversion between the Transaction Currency and USD as published on the Bloomberg BFIX page in the Bloomberg Terminal at 18:30:00 (Greenwich Mean Time, GMT) on such day. If no rates mentioned above are available at such time we shall determine the Exchange Rate in a commercially reasonable manner.

Failure to Pay: the failure by any Reference Entity to make, when and where due, any payments under one or more Reference Obligations, in accordance with the terms of such Reference Obligations at the time of such failure.

Governmental Authority: any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

Governmental Intervention: an occurrence of an event or a circumstance whereby any of the Reference Entity's borrowings or, where applicable, guarantees are restructured in such a way as to adversely affect a creditor (such as a reduction or postponement of the interest or principal payable on a bond or a loan), or are expropriated or amended in such a way that the beneficial holder is changed, or are mandatorily cancelled, converted or exchanged or any similar event occurs with respect thereto, in each case as a result of Governmental Authority action or announcement pursuant to or by means of a restructuring and resolution law or regulation (or similar).

Hedging Disruption Notice: an irrevocable notice from a Buyer to the Seller that informs the Seller of Hedging Disruption occurrence on or before the Maturity Date. Sending the Hedging Disruption triggers

settlements under the terms of the Credit Derivative Transaction as specified in the related Term Sheet;

Hedging Disruption: means that we, and/or any of our Affiliates, after using commercially reasonable efforts: (a) have not received the Reference Obligations and/or cash under the terms of any transaction or trading position entered into or held by us and/or our Affiliates to hedge, directly or indirectly our obligations under the Credit Derivative Transaction; or (b) unable to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any swap, futures or options contract(s) we deem necessary to hedge our exposure with respect to the Credit Derivative Transaction; or (c) unable to freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or swaps, futures or option contract(s) or any relevant hedge positions relating to Credit Derivative Transaction; or (d) we or any our Affiliates would incur materially increased (as compared with circumstances as of trade date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) we or and/or our deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of us performing our obligations with respect to the Credit Derivative Transaction, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Illegality: an occurrence of an event or a circumstance whereby the performance under a Reference Obligation by a Reference Entity becomes unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof.

Obligation Acceleration: any event when one or more Reference Obligations have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described).

Obligation Default: an occurrence of an event or a circumstance whereby one or more Reference Obligations have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), and additionally, without limiting any of the above, any restrictions imposed and/or applied by any UN or governmental body (regardless of whether such restrictions are temporary or permanent). **Obligation Early Redemption Notice:** an irrevocable notice from a Buyer to the Seller that informs the Seller of Obligation Early Redemption occurrence on or before the Maturity Date. Sending the Obligation Early Redemption Notice triggers settlements under the terms of the Credit Derivative Transaction as specified in the related Term Sheet.

Obligation Early Redemption: any event in respect of a Reference Obligation, when it is redeemed or planned to be redeemed before its scheduled maturity date as a result of, or on the basis of, any relevant provisions in documentation of such Reference Obligation, including but not limited to, any exercise of call option of the issuer of such or make whole call, or any other condition or event with respect to the Reference Obligation that leads to the Reference Obligation redeeming prior to its scheduled maturity, whether at par or at lower or higher price, provided it does not constitute a Credit Event.

Payment currency: Transaction currency or any other currency applied to any payments within the Product.

Reference Entity: any entity that is (a) specified as such in the relevant Term Sheet; (b) an “Issuer”, “Borrower”, “Guarantor” or “Reference Entity” as defined by the terms of any Reference Obligation; (c) an obligor under the terms of any Reference Obligation; (d) an Affiliate of any Reference Entity; or (e) any successor of any Reference Entity.

Reference Obligation: any debt security specified as such in the Term Sheet.

Repudiation/Moratorium: an occurrence of an event or a circumstance whereby an authorized officer of the Reference Entity or a Governmental Authority (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Reference Obligations or (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Reference Obligations.

Restructuring: occurrence with respect to one or more Reference Obligations of any one or more of the following events in a form that binds all holders of such Reference Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Reference Obligation to bind all holders of the Reference Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Reference Obligation, and such event is not expressly provided for under the terms of such Reference Obligation: (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination); (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination); (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; (iv) a change in the ranking in priority of payment of any Reference Obligation, causing the subordination of such Reference Obligation to any other obligation of the relevant Reference Entity.