

29 December 2009

Commonwealth Bank of Australia

Issue of EUR 100,000,000 Fixed Rate with Index Linked Redemption Notes due 27 December 2019

**under the U.S.\$70,000,000,000
Euro Medium Term Note Programme**

Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Circular dated 16 October 2009 supplemented by the Supplement dated 13 November 2009 (together the "Programme Circular") which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. The Programme Circular is available for viewing at the registered office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW 2000, Australia and copies may be obtained from the Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

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| 1. | Issuer: | Commonwealth Bank of Australia |
| 2. | Form of Notes: | Bearer |
| 3. | (i) Series of which Notes are to be treated as forming part: | 4603 |
| | (ii) Tranche Number: | 1 |
| 4. | Specified Currency or Currencies: | Euro (" EUR ") |
| 5. | Aggregate Nominal Amount: | |
| | (i) Series: | EUR 100,000,000 |
| | (ii) Tranche: | EUR 100,000,000 |
| 6. | Issue Price of Tranche: | 100.00 per cent. of the Aggregate Nominal Amount |
| 7. | (i) Specified Denominations: | EUR 50,000 |
| | (ii) Calculation Amount | EUR 50,000 |
| 8. | (i) Issue Date: | 29 December 2009 |
| | (ii) Interest Commencement Date: | Issue Date |
| 9. | Maturity Date: | 27 December 2019 |
| 10. | Interest Basis: | Fixed Rate (further particulars specified below) |
| 11. | Redemption/Payment Basis: | Index Linked Redemption (further particulars specified below) |
| 12. | Change of Interest Basis or Redemption/Payment Basis: | Not applicable |

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| 13. | Put/Call Options: | Not Applicable |
| 14. | (i) Status of the Notes: | Unsubordinated |
| | (ii) Status of the Guarantee: | Not Applicable |
| 15. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate of Interest | 7.00 per cent. per annum payable annually in arrear |
| | (ii) (A) Interest Period End Date(s) and Interest Payment Date(s): | 28 December 2010 and 28 December 2011, subject to adjustment in accordance with the Business Day Convention specified below for payment purposes only |
| | (B) Interest Payment Date(s) (if different from the Interest Period End Date(s)): | Not Applicable |
| | (iii) Fixed Coupon Amount(s): | EUR 3,500 per EUR 50,000 Calculation Amount |
| | (iv) Business Day Convention: | |
| | (A) Interest Period End Date(s): | Not applicable |
| | (B) Interest Payment Date(s): | Modified Following Business Day Convention |
| | (v) Additional Business Centre(s): | London, New York, Sydney and TARGET2 |
| | (vi) Broken Amount(s): | Not applicable |
| | (vii) Day Count Fraction: | Actual/Actual (ICMA) |
| | (viii) Determination Date(s): | Not applicable |
| | (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not applicable |
| 17. | Floating Rate Note Provisions | Not Applicable |
| 18. | Zero Coupon Note Provisions | Not applicable |
| 19. | Index Linked Note Provisions | Not applicable |
| 20. | Dual Currency Note Provisions | Not applicable |

PROVISIONS RELATING TO REDEMPTION

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| 21. | Issuer Call | Not Applicable |
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22.	Investor Put	Not applicable
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23. **Final Redemption Amount of each Note**

The index linked redemption amount to be paid at the Maturity Date shall be determined by the Calculation Agent as follows:

$$\text{UR } 50,000 \times \text{Max} \left[100\%; \left(\frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} \right) \right]$$

Where:

Index means the Dow Jones Eurostoxx 50® Index, a composite Index, Bloomberg Code SX5E, published by Stoxx Limited (the “**Index Sponsor**”)

Index_{Initial} means the Settlement Price of the Index on the 14 December 2009, being 2885.00.

Index_{Final} means an amount determined by the Calculation Agent in accordance with the

following formula: $\frac{1}{36} \sum_{n=1}^{36} \text{Index}_n$

Index_n means the Settlement Price of the Index on Observation Date (n).

Observation Date (n) means each of the following: 18 January 2017, 20 February 2017, 20 March 2017, 18 April 2017, 18 May 2017, 19 June 2017, 18 July 2017, 18 August 2017, 18 September 2017, 18 October 2017, 20 November 2017, 18 December 2017, 18 January 2018, 19 February 2018, 19 March 2018, 18 April 2018, 18 May 2018, 18 June 2018, 18 July 2018, 20 August 2018, 18 September 2018, 18 October 2018, 19 November 2018, 18 December 2018, 18 January 2019, 18 February 2019, 18 March 2019, 18 April 2019, 20 May 2019, 18 June 2019, 18 July 2019, 19 August 2019, 18 September 2019, 18 October 2019, 18 November 2019 and 18 December 2019.

“**Calculation Agent**” means BNP Paribas. All determinations in respect of the Notes shall be made by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner and shall be binding on the Noteholders in the absence of manifest error

The additional Terms and Conditions described in Annex 1 will apply to the calculation of the Final Redemption Amount.

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| 24. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g)): | Condition 6(g) shall apply |
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GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 25. | Any applicable Taxing Jurisdiction: | Not applicable |
| 26. | Form of Notes: | Bearer Notes

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 27. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | As per Condition 7(h), New York, London, Sydney and TARGET2 |
| 28. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 29. | Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not applicable |
| 30. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not applicable |
| 31. | Redenomination applicable: | Redenomination not applicable |
| 32. | Other final terms: | Not Applicable |

DISTRIBUTION

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| 33. | (i) If syndicated, names of Managers: | Not applicable |
| | (ii) Date of Syndication Agreement: | Not applicable |
| | (ii) Stabilising Dealer (if any): | Not applicable |
| 34. | If non-syndicated, name of relevant Dealer: | BNP Paribas |
| 35. | Total commission and concession: | Not applicable |
| 36. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D rule applicable |

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| 37. | Non Exempt Offer: | Not Applicable |
| 38. | Additional Selling Restrictions: | Not Applicable |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange's regulated market and, if relevant, listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the U.S.\$70,000,000,000 Euro Medium Term Note Programme of Commonwealth Bank of Australia and ASB Finance Limited, London Branch.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: 
Duly Authorised

Part B – Other Information

1. LISTING AND ADMISSION TO TRADING

Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and, listing on the Official List of the UK Listing Authority with effect from the Issue Date.

2. RATINGS

Ratings:

The following ratings reflect the ratings allocated to Notes of the type being issued under the Programme generally:

S & P: **AA**

Moody's: **Aa1**

Fitch: **AA**

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

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not applicable.

5. YIELD (*Fixed Rate Notes Only*)

Not applicable.

6. HISTORIC INTEREST RATES (*Floating Rate Notes Only*)

Not Applicable

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Notes Only*)

The return on the Notes is linked to the value and performance of the Index.

The investment return on the Notes will depend primarily on the performance of the Index.

	Calculation methodology, details of past performance and other background information in respect of the index may be obtained from the website of the relevant Index Sponsor and/or the relevant Screen Page as follows:	
Index	Website	Screen Page
Dow Jones Eurostoxx 50® Index	www.stoxx.com	Bloomberg ticker: .SX5E
The Notes are subject to market disruption event		

STOXX and Dow Jones do not:

1. Sponsor, endorse, sell or promote the Notes.

- ☐ Recommend that any person invest in the Notes or any other securities.
- ☐ Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Notes.
- ☐ Have any responsibility or liability for the administration, management or marketing of the Notes.
- ☐ Consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the **Dow Jones Eurostoxx 50®** or have any obligation to do so.

STOXX and Dow Jones will not have any liability in connection with the Notes. Specifically,

- ☐ STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:
- ☐ The results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Dow Jones Eurostoxx 50® and the data included in the Dow Jones Eurostoxx 50®;
- ☐ The accuracy or completeness of the Dow Jones Eurostoxx 50® and its data;
- ☐ The merchantability and the fitness for a particular purpose or use of the Dow Jones Eurostoxx 50® and its data;
- ☐ STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones Eurostoxx 50® or its data;
- ☐ Under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.

General disclaimer

None of the Issuer, the Calculation Agent or any Agents accepts responsibility for the calculation, maintenance or publication of the Index or any successor index.

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT *(Dual Currency Notes Only)*

Not applicable.

9. OPERATIONAL INFORMATION

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| (i) | ISIN Code: | XS0474590360 |
| (ii) | Common Code: | 047459036 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, société anonyme and the relevant identification number(s): | Not applicable |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not applicable |

Annex 1

Additional Terms and Conditions for Index Linked Notes

1. Market Disruption

"Market Disruption Event" means:-

- (a) in respect of a Composite Index either:
 - (i) (a) the occurrence or existence, in respect of any Component Security, of:
 - (1) 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 on which such Component Security is principally traded;
 - (2) 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 on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (b) 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 such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Index triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition **Error! Reference source not found.** of the General Conditions of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have

been the Strike Date, an Averaging Date, an Observation Date or a Valuation Date, as the case may be, or on any Knock-in Determination Date or Knock-out Determination Date, as the case may be.

2. Adjustments to an Index

(a) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**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 the last Averaging Date, last Observation Date, last Valuation Date, the last Knock-in Determination Day or the last Knock-out Determination Day, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant 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 and capitalisation, contracts or commodities and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on an Averaging Date, an Observation Date, a Valuation Date, a Knock-in Determination Day or Knock-out Determination Day, 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,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall 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, Observation Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, 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 the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with General Condition **Error! Reference source not found.**, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note 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 Noteholders in accordance with General Condition **Error! Reference source not found.**; or
- (iii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Index Adjustment Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Adjustment Event (the "**Calculated Index Adjustment Amount Determination date**") and on the Maturity Date shall redeem each Note at an

amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, at its nominal amount.

(c) Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Noteholders copies of any such determinations.

3. **Correction of Index**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Notes calculated by reference to the level of an Index, if the level of the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (i) in respect of a Composite Index, no later than five Exchange Business Days following the date of the original publication or, (ii) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Notes calculated by reference to the level of the Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

4. **Additional Disruption Events**

(a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (if applicable) (iii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) unless Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, redeem the Notes by giving notice to Noteholders in accordance with General Condition **Error! Reference source not found.** If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption 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 Noteholders in accordance with General Condition **Error! Reference source not found.**; or
- (iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to

(x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, at its nominal amount.

- (b) Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition **Error! Reference source not found.** stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto.

5. Definitions

"Additional Disruption Event" means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

"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 each date specified as an Averaging Date in the applicable Final Terms 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 any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **"Omission"** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, 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 as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **"Postponement"** is specified as applying in the applicable Final Terms, then the provisions of the definition of **"Valuation Date"** will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day 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 Final Terms then:
- (i) where the Notes are Index Linked Notes relating to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such 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 (a)(ii) of the definition of **"Valuation Date"** below;
- (ii) where the Notes are Index Linked Notes relating to a Basket of Indices, the Averaging Date for each Index 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 each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in

relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred for a number of consecutive Scheduled Trading days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date) in respect of such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "**Valuation Date**" below; and

- (iii) for the purposes of these Terms and Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"Basket of Indices" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to an Index.

"Clearance System" means the principal domestic clearance system customarily used for settling trades in the relevant securities.

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

"Component Security" means, in respect of a Composite Index, each component security of such Index.

"Composite Index" means any Index specified as such in the applicable Final Terms, or if not specified, any Index the Calculation Agent determines as such.

"Disrupted Day" means:

- (a) in the case of a Composite Index, any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred; and
- (b) in the case of any Index which is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during their regular trading session or (ii) a Market Disruption Event has occurred.

"Early Closure" means:

- (a) in the case of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the 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 Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

- (b) in the case of any Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of such Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) 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.

"Exchange" means:

- (a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent; and
- (b) in the case of any Index which is not a Composite Index, in respect of such Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Exchange Business Day (All Indices Basis) or (b) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply.

"Exchange Business Day (All Indices Basis)" means any Scheduled Trading Day on which (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of any Composite Indices, (a) the Index Sponsor publishes the level of such Composite Indices and (b) each Related Exchange (if any) is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Business Day (Per Index Basis)" means:

- (a) in the case of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of such Composite Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time; and
- (b) in any other case, any Scheduled Trading Day on which the relevant Exchange and Related Exchange in respect of such Index are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time.

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the relevant Related Exchange, if any, is open for trading during their regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means:

- (a) in the case of any Composite Index, 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 (A) any Component Security on the Exchange in respect of such Component Security; or (B) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of any Index which is not a Composite Index, any event (other than an Early Closure) 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) in 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.

"Hedging Disruption" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"Hedging Shares" means the number of securities comprised in an Index that the Issuer and/or any of its affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

"Increased Cost of Hedging" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor, (if applicable) and/or any of their respective affiliates shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Issuer and/or any of its affiliates would incur a rate to borrow any security comprised in an Index that is greater than the Initial Stock Loan Rate.

"Index" and **"Indices"** mean, subject to adjustment in accordance with these Index Linked Conditions, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Index Correction Period" means (i) the period specified in the applicable Final Terms, or (ii) if none is so specified, one Settlement Cycle.

"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 Final Terms.

"Initial Stock Loan Rate" means, in respect of a security comprised in an Index, the initial stock loan rate specified in relation to such security in the applicable Final Terms.

"Loss of Stock Borrow" means that the Issuer and/or any affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any securities comprised in an Index in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means, in respect of a security comprised in an Index, the Maximum Stock Loan Rate specified in the applicable Final Terms.

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms, 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, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms.

"Related Exchange" means, in relation to an Index, each exchange or quotation system on which option contracts or futures contracts relating to such Index are traded, or each exchange or quotation system specified as such for such Index in the applicable Final Terms, 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 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 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 Final Terms, **"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.

"Scheduled Closing Time" means, in respect of 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 subject as provided in "Valuation Time" below.

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date.

"Scheduled Trading Day" means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Scheduled Trading Day (All Indices Basis) or (b) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply.

"Scheduled Trading Day (All Indices Basis)" means (i) in respect of any Index which is not a Composite Index, any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of any Composite Index, any day on which (a) the Index Sponsor is scheduled to publish the level of such Composite Index and (b) each Related Exchange is scheduled to be open for trading during its regular trading session in respect of such Composite Index.

"Scheduled Trading Day (Per Index Basis)" means:

- (a) in respect of any Composite Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session; and
- (b) in any other case, any day on which the relevant Exchange and Related Exchange in respect of such Index are scheduled to be open for trading for their respective regular trading session(s).

"Scheduled Trading Day (Single Index Basis)" means any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of a Composite Index (a) the relevant Index Sponsor is

scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Screen Page" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"Settlement Price" means, unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Index Linked Notes relating to a single Index, an amount equal to the official closing level of the Index or, in relation to a Composite Index, the official closing level of such Index as published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date; and
- (b) in the case of Index Linked Notes relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount equal to the official closing level of such Index or, in relation to a Composite Index, the official closing level of such Index as published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date as the case may be.

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

"Strike Date" means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Index Linked Notes relating to a single Index, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant level or price by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with 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 the last such consecutive 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 the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

- (b) in the case of Index Linked Notes relating to a Basket of Indices, the Strike Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and the Strike Date for each Index, 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 number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day 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 the last such consecutive 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 the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions.

"Trading Disruption" means:

- (a) in the case of a Composite Index, 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: (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 the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, 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) relating to securities that comprise 20 per cent. or more of the level of such Index on any relevant Exchange(s) or (b) in futures or options contracts relating to such Index on any relevant Related Exchange.

"Valuation Date" means the Coupon Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Index Linked Notes relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with 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 the last such consecutive 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 the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

- (b) in the case of Index Linked Notes relating to a Basket of Indices, the Valuation Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, 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 number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive 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, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day 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 the last such consecutive 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 the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions; and

"**Valuation Time**" means:

- (a) the Coupon Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b) if not specified in the applicable Final Terms:
 - (x) in the case of a Composite Index, means in respect of such Index: (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
 - (y) in the case of any Index which is not a Composite Index, means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time and the specified Coupon Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Coupon Valuation Time or Valuation Time, as the case may be, shall be such actual closing time.