

## **Program Information**

**Bank of America Corporation**

## PROGRAM INFORMATION

Type of Information:	Program Information
Date of Announcement:	March 7, 2014
Issuer Name:	Bank of America Corporation
Name and Title of Representative:	Angela C. Jones Managing Director
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Type of Securities:	Notes
Scheduled Issuance Period:	March 7, 2014 to March 6, 2015
Maximum Outstanding Issuance Amount:	U.S.\$65,000,000,000
Address of Website for Announcement:	<a href="http://www.tse.or.jp/rules/probond">http://www.tse.or.jp/rules/probond</a>
Name of Arranger	Merrill Lynch International
Status of Submission of Annual Securities Reports or Issuer Filing Information:	Bank of America Corporation has continuously submitted Annual Securities Reports for more than one year. See such Annual Securities Reports and other reports filed by the Issuer in Japan which are available at the website <a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a> .  See also reports filed by the Issuer with the U.S. Securities and Exchange Commission which are available at the website <a href="http://www.sec.gov/">http://www.sec.gov/</a> .
Notes to Investors:	
1.	TOKYO PRO-BOND Market is a market for specified investors, etc. and bonds listed on the market ("Listed Bonds") may involve a higher investment risk. Investors should be aware of the listing eligibility and timely

disclosure requirements that apply to issuers of Listed Bonds on the TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions after having carefully considered the contents of this Program Information.

2. The regulatory framework for TOKYO PRO-BOND Market is different in fundamental aspects from the regulatory framework applicable to other exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on the Tokyo Stock Exchange website.
3. Tokyo Stock Exchange, Inc. does not express opinions or issue guarantees, etc., regarding the content of the Program Information (including but not limited to, whether the Program Information contains (a) a false statement or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content) and shall not be liable for any damage or loss.
4. Where this Program Information (excluding Program Information concerning securities enumerated in each item of Article 3 of the Act) comes to include information regarding matters listed in this Form pursuant to Rule 206, Paragraph 2 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities (hereinafter referred to as the "Special Regulations") as information prescribed in Article 2, Paragraph 1, Item 1 of the Cabinet Office Ordinance on Provision and Publication of Information on Securities, etc., the Program Information shall constitute Specified Securities Information stipulated in Article 27-31, Paragraph 1 of the Act.
5. Condition 3(b) of the Terms and Conditions of the Notes set out in the Base Prospectus is updated to add the following disclosure:

"Holders of the Subordinated Notes may be fully subordinated to interests held by the U.S. government in the event that the Issuer enters into a receivership, insolvency, liquidation or similar proceeding. The Subordinated Notes will rank equally in right of payment with all other unsecured and subordinated indebtedness of the Issuer, other than subordinated indebtedness that by its terms is subordinated to the Subordinated Notes."
6. The selling restriction for Japan set forth in the section entitled "Subscription and Sale" in the Base Prospectus is not applicable to the Program Information.



## U.S. \$65,000,000,000 Euro Medium-Term Note Program

Pages (i) to (vi), pages 1 to 83, pages 99 to 112 and pages 163 to 164 of this document comprise a base prospectus for the purposes of Articles 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"), in respect of Notes to be admitted to the official list of the UK Listing Authority (as defined below) (the "**Official List**") and admitted to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**") (the "**Wholesale Base Prospectus**") and pages (i) to (vi), pages 1 to 98 and pages 163 to 164 comprise a base prospectus for the purposes of Articles 5.4 of the Prospectus Directive in respect of Notes to be admitted to the Official List and admitted to trading on the Regulated Market of the London Stock Exchange or offered to the public in the relevant Member States of the European Economic Area (the "**Retail Base Prospectus**") and, together with the Wholesale Base Prospectus, the "**Base Prospectus**"). This Base Prospectus, which replaces the Offering Circular dated May 17, 2012, describes the Euro Medium-Term Note Program (the "**Program**") operated by Bank of America Corporation (the "**Issuer**") and the notes issued under the Program after the date of this Base Prospectus (the "**Notes**").

Pages 113 to 162 of this document comprise an offering circular (the "**Offering Circular**") in respect of Notes which are not admitted to the Official List or offered to the public in any Member State of the European Economic Area ("**Non-PD Notes**"). The Offering Circular has not been reviewed or approved by the UK Listing Authority and does not constitute a prospectus for the purposes of the Prospectus Directive.

Under the Program, the Issuer periodically may issue Notes denominated in any currency (subject to compliance with all applicable legal and regulatory requirements relating to such currency) and having terms and conditions as may be agreed upon between the Issuer and the relevant Dealers (as defined below). The Issuer will disclose such terms and conditions of the Notes in a final terms document (the "**Final Terms**"). The Final Terms in respect of the Notes to be admitted to the Official List and to be admitted to trading on the Regulated Market of the London Stock Exchange will be delivered to the Financial Conduct Authority of the United Kingdom (the "**FCA**" or "**Financial Conduct Authority**") in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "**FSMA**") (the "**UK Listing Authority**") and the London Stock Exchange on or before the issue date of the Notes.

The maximum principal amount of Notes that may be outstanding at any one time under the Program will not exceed U.S.\$65,000,000,000, provided that the Issuer reserves the right to increase this amount in accordance with the terms of the Program Agreement (as defined below). The Program provides that Notes may be listed or, as the case may be, admitted to trading on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer and the relevant Dealers. The Issuer also may issue unlisted Notes that are not admitted to trading on any market.

The Notes are unsecured and may be senior notes ("**Senior Notes**") or subordinated notes ("**Subordinated Notes**"). The Senior Notes will rank equally with all other unsubordinated and unsecured indebtedness of the Issuer. The Subordinated Notes will be subordinated and junior in right of payment to all Senior Indebtedness (as defined herein) of the Issuer (including the Senior Notes).

The Notes will be issued on a continuing basis to one or more of the Dealers listed below and any additional Dealer appointed under the Program from time to time (each, a "**Dealer**" and together, the "**Dealers**").

Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market. In this Base Prospectus, references to Notes being listed shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the London Stock Exchange's Regulated Market. The London Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (2004/39/EC).

Each Tranche of Notes will be issued in registered form and will initially be represented by a registered global note ("**Registered Global Note**") or by a registered note in definitive form ("**Registered Definitive Note**"). One Registered Global Note or one Registered Definitive Note will be issued in respect of each Noteholder's entire holding of Notes of one Series (as defined herein). The Registered Global Note will be delivered on or prior to the issue date of the relevant Tranche of Notes to (1) a common safekeeper (the "**Common Safekeeper**") (if the Registered Global Note is intended to be held under the New Safekeeping Structure (the "**NSS**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), or any other clearing system located outside the United States and its possessions, specified by the Issuer and the Dealers (each, an "**Alternative Clearing System**" and each of Euroclear, Clearstream, Luxembourg, and any Alternative Clearing System being a "**Relevant Clearing System**"), or (2) a common depositary (the "**Common Depositary**") (if the Registered Global Note is not intended to be held under the NSS) on behalf of the Relevant Clearing System. Beneficial interests in a Registered Global Note will be exchangeable for Registered Definitive Notes only in limited circumstances, as further described in "Terms and Conditions of the Notes".

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*The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and, except as stated under "Subscription and Sale", may not be offered, sold, or delivered, directly or indirectly, in the United States of America, its territories, its possessions, and other areas subject to its jurisdiction (the "**United States**") or to a U.S. person (as defined in Regulation S under the Securities Act). The Notes will be subject to certain restrictions on transfer - see "Subscription and Sale".*

The Notes are unsecured and are not and will not be savings accounts, deposits, obligations of, or otherwise guaranteed by, Bank of America, N.A. ("**BANA**") or any other bank. The Notes do not evidence deposits of BANA or any other banking affiliate of the Issuer and are not insured by the U.S. Federal Deposit Insurance Corporation (the "**FDIC**"), the Deposit Insurance Fund or any other insurer or governmental agency or instrumentality.

**The Notes are subject to investment risks, including possible loss of the principal amount invested. See "Risk Factors" on pages 13 to 19 of this Base Prospectus.**

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**Arranger**  
BofA Merrill Lynch

**Dealers**

Barclays  
BofA Merrill Lynch  
Credit Suisse  
Goldman Sachs International  
Mizuho Securities  
The Royal Bank of Scotland

BNP PARIBAS  
Citigroup  
Deutsche Bank  
ING  
Morgan Stanley  
UniCredit Bank

The date of this Base Prospectus is May 20, 2013

## IMPORTANT NOTICE

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any Dealer. This Base Prospectus does not relate to any securities other than the Notes or constitute an offer to any person in any jurisdiction where such offer would be unlawful. Delivery of this Base Prospectus at any time does not imply that the information in this Base Prospectus is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the Issuer's best knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In addition, in the context of any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**"), the Issuer accepts responsibility, in each of the Member States of the European Economic Area (each, a "**Member State**") for which it has given its consent referred to herein, for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom an offer of Notes is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Subject to the conditions set out below, in connection with a Public Offer of any relevant Notes, the Issuer consents to the use of this Base Prospectus by each relevant Dealer or Manager named in the applicable Final Terms and by:

- (1) any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms;
- (2) if the Issuer appoints additional financial intermediaries after the date of the applicable Final Terms and publishes details in relation to them on its website ([www.invest.baml.com](http://www.invest.baml.com)), each financial intermediary whose details are so published,  
  
in the case of (1) or (2) above, for as long as such financial intermediaries are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) ("**MiFID**"); or
- (3) **in any other case, any financial intermediary which is authorised to make such offers (i) by Merrill Lynch International ("MLI") and (ii) under MiFID, which states on such financial intermediary's website that it is relying on this Base Prospectus to offer the relevant tranche of Notes during the Offer Period (as defined below).**

The consent of the Issuer is subject to the following conditions:

- (i) the consent is only valid during the Offer Period specified in the applicable Final Terms (the "**Offer Period**");
- (ii) the consent only extends to the use of this Base Prospectus to make Public Offers of the relevant tranche of Notes in each Member State of the European Economic Area which has implemented the Prospectus Directive and which is named as a Public Offer Jurisdiction in the applicable Final Terms; and
- (iii) the consent is subject to any other conditions set out in paragraph 39 of Part A of the applicable Final Terms.

**Any Authorised Offeror using this Base Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is**

**using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

Other than as set out above, none of the Issuer or Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer, Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the "Terms and Conditions of the Public Offer"). The Issuer will not be a party to any such arrangements with Investors (other than the Dealers or Managers, as applicable) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty, or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any Final Terms or any other information provided by the Issuer. The Dealers do not accept any liability in relation to the information contained in this Base Prospectus or any Final Terms or any other information provided by the Issuer in connection with the Program.

**The credit ratings and outlooks of the Issuer and the Program referred to on page 26 of this Base Prospectus, are assigned by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Financial Services LLC ("S&P"), and Fitch Ratings, Inc. ("Fitch"), none of which is established in the European Union, and are effective as of the date of this Base Prospectus. Credit ratings and outlooks may be adjusted over time, and so there is no assurance that these credit ratings and outlooks will be effective after this date.**

**The credit rating of a certain Tranche of Notes (as defined herein) to be issued under the Program may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to the relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 (the "CRA Regulation") will be disclosed in the Final Terms. The list of credit rating agencies registered under the CRA Regulation (as updated from time to time) is published on the website of the European Securities and Market Authority ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before June 7, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.**

The price and amount of the Notes to be issued under the Program will be determined by the Issuer and the relevant Dealers at the time of issue in accordance with prevailing market conditions.

Copies of the applicable Final Terms will be available from the specified office set out below of each of the Paying Agents (as defined below).

Neither the delivery of this Base Prospectus nor the offer, sale, or delivery of any Notes shall imply in any circumstance that there has been no material adverse change, or any event reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer or any of its subsidiaries since the date hereof.

The Issuer has undertaken, in connection with the listing of the Notes, that, while Notes are outstanding and listed on the London Stock Exchange, in the event of any significant new factor, material mistake,

or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, the Issuer will prepare an amendment or supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent offering of Notes to be listed on the London Stock Exchange.

Neither this Base Prospectus nor any other information supplied in connection with the Program is intended to provide the basis of any credit or other evaluation, and any recipient of this Base Prospectus should not consider such receipt to be a recommendation to purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

No person should acquire any Notes unless (i) that person understands the nature of the relevant transaction and the terms of the relevant Notes and the extent of that person's exposure to potential loss, (ii) that person has a valid business purpose for acquiring Notes, and (iii) any investment in Notes is consistent with such person's overall investment strategy. Each potential investor should consider carefully whether any Notes issued under the Program which it considers acquiring are suitable for it in the light of such prospective investor's investment objectives, financial capabilities, and expertise. See "Risk Factors" on pages 13 to 19 of this Base Prospectus.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to evaluate the Notes, the merits and risks of investing in the Notes, and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the applicable Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with amounts payable in one or more currencies, or where the Specified Currency (as defined herein) of the Notes is different from the potential investor's currency;
- (iv) have knowledge of and access to appropriate analytical resources to analyze quantitatively the effect (or value) of any redemption, cap, floor, or other features of the Notes, and the resulting impact upon the value of the Notes;
- (v) understand thoroughly the terms of the Notes and be familiar with financial markets; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how such Notes will perform under changing conditions, the resulting effects on the value of those Notes, and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes have not been, and will not be, registered under the Securities Act. The Notes may not be offered, sold, or delivered within the United States or to U.S. persons, except as provided herein.

Neither this Base Prospectus nor any Final Terms constitute, nor may be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which that offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

The distribution of this Base Prospectus and the offer of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor any of the Dealers represents that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any Dealer which would permit a public offering of any Notes outside the European Economic Area or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area, and certain other jurisdictions. See "Subscription and Sale" below.

The Issuer may use this Base Prospectus in the initial sale of any Notes. In addition, MLI or any other affiliate of the Issuer may use this Base Prospectus in market-making transactions with respect to any Notes after their initial sale.

Nothing herein should be considered to impose on the recipient of this Base Prospectus any limitation on disclosure of the tax treatment or tax structure of the transactions or matters described herein.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake any stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche of Notes and 60 calendar days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.**

In this Base Prospectus, references to "U.S. Dollars", "\$", "U.S.\$", "U.S.D.", and "U.S. Cents" are to the currency of the United States of America, those to "Sterling", "Pounds Sterling", and "£" are to the currency of the United Kingdom, those to "Japanese Yen", "Yen", "JPY" and "¥" are to the currency of Japan, those to "EUR", "euro", and "€" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to Article 109g of the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam (as amended from time to time, the "EC Treaty"), those to "Australian Dollars" and "AUD" are to the lawful currency of Australia and those to "CNY" are to Chinese Renminbi (the lawful currency of the People's Republic of China) or to any lawful successor currency to Chinese Renminbi.

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### SUMMARY OF THE PROGRAM

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for these types of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
A.1	<b>Introduction</b>	<p>This summary should be read as introduction to the Base Prospectus and the applicable Final Terms. Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor, including any documents incorporated by reference and the applicable Final Terms. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State have to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	<b>Consent</b>	<p>Certain tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a Prospectus.</p> <p>[Not applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency).]</p> <p>[Subject to the conditions set out below, in connection with a Public Offer (as defined below) of Notes, the Issuer consents to the use of the Base Prospectus by [the] [each] [Dealer] [Manager] [and by:</p> <ol style="list-style-type: none"> <li>(1) [[ ], [ ] and [ ] (the "<b>Initial Authorised Offeror[s]</b>");</li> <li>(2) [if the Issuer appoints additional financial intermediaries after the date of the Final Terms dated [ ] and publishes details in relation to them on its website (www.invest.baml.com), each financial intermediary whose details are so published,</li> </ol> <p>in the case of (1) or (2) above, for as long as such financial intermediaries are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC);] [or ]</p>

		<p>(3) [[in any other case,] any financial intermediary which is authorised to make such offers (i) by Merrill Lynch International and (ii) under the Markets in Financial Instruments Directive (Directive 2004/39/EC), which states on such financial intermediary's website that it is relying on the Base Prospectus to offer the relevant tranche of Notes during the Offer Period specified below],</p> <p>each an "<b>Authorised Offeror</b>" and together the "<b>Authorised Offerors</b>").</p> <p>The consent of the Issuer is subject to the following conditions:</p> <p>(i) the consent is only valid during the period from [ ] until [ ] (the "<b>Offer Period</b>"); [and]</p> <p>(ii) the consent only extends to the use of the Base Prospectus to make Public Offers (as defined below) of the tranche of Notes in the Public Offer Jurisdiction[s]; and [ ]</p> <p>[(iii) the consent is subject to the further following consents: [ ].]</p> <p><b>A "Public Offer" of Notes is an offer of Notes that is not within an exemption from the requirement to publish a prospectus under Directive 2003/71/EC, as amended.</b></p> <p><b>Any person (an "Investor") intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the [Dealers] [Managers]) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and the Final Terms will not contain such information and an Investor must obtain such information from the Authorised Offeror. Information in relation to an offer to the public will be made available at the time such sub-offer is made, and such information will also be provided by the relevant Authorised Offeror.]</b></p>
<b>SECTION B – ISSUER</b>		
B.1	<b>Name of Issuer</b>	Bank of America Corporation (the " <b>Issuer</b> ")
B.2	<b>Domicile and legal form</b>	<p>The Issuer is a Delaware corporation. The Issuer operates under the General Corporation Law of the State of Delaware, Title 8 of the Delaware Code 1953, sections 101 through 398, known as the "Delaware General Corporation Law".</p> <p>The registered office of the Issuer is at the Corporation Trust Company, Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States.</p>
B.4b	<b>Known trends</b>	The banking environment and markets in which the Issuer conducts its businesses will continue to be strongly influenced by developments in the U.S. and global economies, including the results of the European Union sovereign debt crisis and the implementation and rulemaking associated with recent financial reform.
B.5	<b>Description of the Group</b>	The Issuer acts as the holding company of over 1,600 subsidiary undertakings worldwide which are all operative within the financial services sector.
B.9	<b>Profit forecast or estimate</b>	Not applicable; no profit forecast or estimate is made in the Base Prospectus.

Summary of the Program

B.10	<b>Audit report qualifications</b>	Not applicable; there are no qualifications in the audit report on the historical financial information.																																																																																																																																																																																																																														
B.12	<b>Selected historical key financial information</b>	<p>The Issuer</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="2" style="text-align: center;"><u>Three months ended</u> <u>March 31</u></th> <th colspan="3" style="text-align: center;"><u>Year ended December 31</u></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>2013</u></th> <th style="text-align: center;"><u>2012</u></th> <th style="text-align: center;"><u>2012</u></th> <th style="text-align: center;"><u>2011</u></th> <th style="text-align: center;"><u>2010</u></th> </tr> <tr> <th></th> <th colspan="5" style="text-align: center;">(Unaudited)</th> </tr> <tr> <th></th> <th colspan="5" style="text-align: center;">(Dollars in millions, except number of shares and per share information)</th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>Income statement:</b></td> </tr> <tr> <td>Interest income .....</td> <td style="text-align: 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There has been no significant change in the financial or trading position of the Issuer and its subsidiaries on a consolidated basis since March 31, 2013, which is the date of the most recently published financial statements of the Issuer.</p>		<u>Three months ended</u> <u>March 31</u>		<u>Year ended December 31</u>				<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>		(Unaudited)						(Dollars in millions, except number of shares and per share information)					<b>Income statement:</b>						Interest income .....	\$14,101	\$15,461	\$57,400	\$66,236	\$75,497	Interest expense .....	3,437	4,615	16,744	21,620	23,974	Net interest income .....	10,664	10,846	40,656	44,616	51,523	Noninterest income .....	12,533	11,432	42,678	48,838	58,697	Total revenue, net of interest expense .....	23,197	22,278	83,334	93,454	110,220	Provision for credit losses .....	1,713	2,418	8,169	13,410	28,435	Noninterest expense .....	19,500	19,141	72,093	80,274	83,108	Income (loss) before income taxes .....	1,984	719	3,072	(230)	(1,323)	Income tax expense (benefit) .....	501	66	(1,116)	(1,676)	915	Net income (loss) .....	1,483	653	4,188	1,446	(2,238)	Net income (loss) applicable to common shareholders .....	1,110	328	2,760	85	(3,595)	Average common shares issued and outstanding (in thousands) .....	10,798,975	10,651,367	10,746,028	10,142,625	9,790,472	Average diluted common shares issued and outstanding (in thousands) .....	11,154,778	10,761,917	10,840,854	10,254,824	9,790,472	<b>Per common share information:</b>						Earnings (loss) .....	\$0.10	\$0.03	\$0.26	\$0.01	\$(0.37)	Diluted earnings (loss) .....	0.10	0.03	0.25	0.01	(0.37)	Dividends paid .....	0.01	0.01	0.04	0.04	0.04		<u>March 31</u>		<u>December 31</u>			<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>2011</u>		(Unaudited)					(Dollars in millions, except percentages)				<b>Balance sheet (period-end):</b>					Total loans and leases .....	\$911,592	\$902,294	\$907,819	\$926,200	Total assets .....	2,174,819	2,181,449	2,209,974	2,129,046	Total deposits .....	1,095,183	1,041,311	1,105,261	1,033,041	Long-term debt .....	279,641	354,912	275,585	372,265	Total shareholders' equity .....	237,293	232,499	236,956	230,101	Allowance for loan and lease losses as a percentage of total loans and leases outstanding <sup>1</sup> .....	2.49%	3.61%	2.69%	3.68%	Total ending equity to total ending assets .....	10.91%	10.66%	10.72%	10.81%	<b>Capital ratios (period-end):</b>					Risk-based capital					Tier 1 common capital .....	10.49%	10.78%	11.06%	9.86%	Tier 1 capital .....	12.22%	13.37%	12.89%	12.40%	Total capital .....	15.50%	17.49%	16.31%	16.75%	Tier 1 leverage .....	7.49%	7.79%	7.37%	7.53%
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Tier 1 leverage .....	7.49%	7.79%	7.37%	7.53%																																																																																																																																																																																																																												
B.13	<b>Recent events</b>	Not applicable; there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																																																																																																																																																																																																																														
B.14	<b>Dependence upon other members of the Issuer's group</b>	<p>Please refer to B.5 above.</p> <p>The Issuer, as the parent company, depends on dividends, distributions and other payments from its banking and nonbanking subsidiaries to fund dividend payments on its common stock and preferred stock and to fund all payments on its other obligations, including debt obligations. Applicable laws and regulations,</p>																																																																																																																																																																																																																														

<sup>1</sup> Outstanding loan and lease balances and ratios do not include loans accounted for under the fair value option.

		including capital and liquidity requirements, may restrict the Issuer's ability to transfer funds from its subsidiaries to itself or other subsidiaries.
B.15	<b>Principal activities</b>	The Issuer, through its subsidiaries, provides a diversified range of banking and non-banking financial services and products in all 50 states of the United States, the District of Columbia, and more than 40 non-U.S. countries. The Issuer provides these services and products through five business segments: (1) <i>Consumer &amp; Business Banking</i> , (2) <i>Consumer Real Estate Services</i> , (3) <i>Global Banking</i> , (4) <i>Global Markets</i> and (5) <i>Global Wealth &amp; Investment Management</i> .
B.16	<b>Ownership and control</b>	The Issuer is not directly or indirectly owned or controlled by any other corporation.
B.17	<b>Ratings:</b>	<p>As at the date of this Base Prospectus, the Issuer's long-term senior debt is rated Baa2 (Negative) by Moody's Investors Service, Inc. ("<b>Moody's</b>"), A- (Negative) by Standard &amp; Poor's Financial Services LLC ("<b>S&amp;P</b>") and A (Stable) by Fitch Ratings, Inc. ("<b>Fitch</b>"). The Issuer's subordinated debt is rated Baa3 (Negative) by Moody's, BBB+ (Negative) by S&amp;P and BBB+ (Stable) by Fitch.</p> <p>The Program has been rated as follows:</p> <p>Moody's: Senior Unsecured: (P)Baa2; Subordinated: (P)Baa3; Short-Term: (P)P-2</p> <p>S&amp;P: Senior Unsecured: A-; Subordinated: BBB+</p> <p>Fitch: Senior Debt: A; Subordinated Debt: BBB+</p> <p>[The Notes have not been rated][The Notes to be issued have been rated [ ] by [ ].]</p>
B.18	<b>Guarantee</b>	Not applicable; the Notes issued under the Program are not guaranteed.
<b>SECTION C – SECURITIES</b>		
C.1	<b>The Securities</b>	<p>The Notes issued under the Program may be Fixed-Rate Notes, Floating-Rate Notes, Fixed/Floating-Rate Notes, Inverse Floating-Rate Notes, Range Accrual Notes or Zero Coupon Notes.</p> <p>The Notes are [£/€/U.S.\$/¥/AUD/[ ]][ ] per cent.] [Fixed Rate] [Floating-Rate][Fixed/Floating-Rate][Inverse Floating-Rate Notes][Range Accrual Notes][Zero Coupon] Notes due 20[ ] (the "<b>Notes</b>").</p> <p>ISIN: [ ].</p>
C.2	<b>Currency</b>	<p>Subject to compliance with applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant [Manager][Dealer] at the time of issue.</p> <p>The currency of the Notes will be [£/€/U.S.\$/ ¥/AUD/[ ]].</p>
C.5	<b>Restrictions on free transferability</b>	<p>The Base Prospectus and the applicable Final Terms may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.</p> <p>The primary offer of any Notes will be subject to offer restrictions in the European Economic Area, the United States, the United Kingdom, Argentina, Australia, the People's Republic of China, Curaçao, France, Hong Kong, Israel, Republic of Italy, Japan, The Grand Duchy of Luxembourg, Malaysia, Panama, Philippines, Russia, Singapore, Switzerland, Taiwan and Uruguay and to any applicable offer restrictions in any other jurisdiction in which the Notes are offered.</p>

		<p>The Notes may not be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, within the United States (including the U.S. states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "<b>Securities Act</b>") or pursuant to an exemption from the registration requirements of the Securities Act.</p>
<p>C.8</p>	<p><b>Rights attached to the Securities</b></p>	<p>Notes under the Program will have the terms and conditions relating to, among other matters:</p> <p><b>Ranking (status):</b></p> <p>The Notes may be issued as senior notes (the "<b>Senior Notes</b>") or subordinated notes (the "<b>Subordinated Notes</b>").</p> <p>[<b>Senior Notes:</b> the Senior Notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally with all other unsubordinated and unsecured indebtedness of the Issuer.]</p> <p>[<b>Subordinated Notes:</b> the Subordinated Notes will be unsecured and subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Issuer.</p> <p>There is no right of acceleration in the case of default in the payment of interest or in the performance of any other obligation of the Issuer under the Subordinated Notes.</p> <p>Until all of the Issuer's Senior Indebtedness is paid in full, the holders of the Subordinated Notes will be subrogated to the rights of the holders of the Issuer's Senior Indebtedness to receive payments and distributions of assets.</p> <p>No modification or amendment of the subordination provisions of the Subordinated Notes in a manner adverse to the holders of Senior Indebtedness may be made without the consent of the holders of all of the Issuer's outstanding Senior Indebtedness.</p> <p>"<b>Senior Indebtedness</b>" means any indebtedness for money borrowed of the Issuer other than Subordinated Notes and any other indebtedness that is subordinate in right of payment to any other indebtedness of the Issuer.]</p> <p><b>Taxation</b></p> <p>Subject to certain exceptions, the Issuer will pay United States Aliens such additional amounts ("<b>Additional Amounts</b>") as may be necessary so that every net payment of the principal of and any interest on any Note, after deduction or withholding for or on account of any present or future tax, assessment, or other governmental charge imposed upon such holder by the United States or any political subdivision or taxing authority thereof or therein upon or as a result of such payment, will not be less than the amount provided for in such Note.</p> <p>"<b>United States Alien</b>" means any corporation, partnership, entity, individual, or fiduciary that is for United States federal income tax purposes (1) a foreign corporation, (2) a foreign partnership to the extent one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, or a foreign estate or trust, (3) a non-resident alien individual, or (4) a foreign estate or trust.</p>

**Events of Default**

[**Senior Notes:** the terms of the Senior Notes will contain the following events of default:

- (a) failure by the Issuer to pay the principal amount;
- (b) failure by the Issuer to pay any instalment of interest, other amounts payable, or Additional Amounts for a period of 30 calendar days after the due date;
- (c) subject to certain exemptions, failure by the Issuer to perform or observe the relevant terms, covenants or agreements applicable to the Senior Notes for a period of 90 calendar days after the date on which written notice of such failure shall first have been given to the Issuer and the principal agent under the Program by the Noteholders of at least 33.00 per cent. in aggregate principal amount of such Senior Notes outstanding;
- (d) a court decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or an appointment of a receiver, liquidator, trustee or similar official of the Issuer or for any substantial part of its property or an order for the winding-up or liquidation of the Issuer's affairs which remains unstayed and in effect for a period of 60 consecutive calendar days; or
- (e) commencement by the Issuer of a voluntary case or proceeding under applicable bankruptcy, insolvency, liquidation, receivership, reorganization or other similar law; consent by the Issuer to the entry of an order for relief in an involuntary case under such law; consent by the Issuer to the appointment of or taking possession by a receiver, liquidator, trustee or similar official of the Issuer or for any substantial part of its property; the general assignment for the benefit of creditors; admittance in writing that the Issuer is unable to pay its debts as they become due; or any corporate action in furtherance of such actions.]

[**Subordinated Notes:** the terms of the Subordinated Notes will contain the following events of default:

- (a) an court decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation or other similar law or an appointment of a receiver, liquidator, trustee or similar official of the Issuer or for any substantial part of its property or an order for the winding-up or liquidation of the Issuer's affairs which remains unstayed and in effect for a period of 60 consecutive calendar days; or
- (b) commencement by the Issuer of a voluntary case or proceeding under applicable bankruptcy, insolvency, liquidation, receivership, reorganisation or other similar law; consent by the Issuer to the entry of an order for relief in an involuntary case under such law; consent by the Issuer to the appointment of or taking possession by a receiver, liquidator, trustee or similar official of the Issuer or for any substantial part of its property; the general assignment for the benefit of creditors; admittance in writing that the Issuer is unable to pay its debts as they become due or any corporate action in furtherance of such actions.]

**Meetings**

The terms of the Notes will contain provisions for calling meetings of the holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, whether or not they are present at the

		<p>relevant meeting.</p> <p><b>Governing law</b></p> <p>The Notes will be governed by, and construed in accordance with, the laws of the State of New York, United States.</p>																				
<p>C.9</p>	<p><b>Interest and redemption provisions:</b></p>	<p>Please refer to C.8 above.</p> <p><b>Interest</b></p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate or a combination of both a fixed rate and a floating rate and may be subject to a step up in or a cap and/or a floor on the amount of interest payable.</p> <p>[The Notes bear interest from (and including) [ ] [at the fixed rate of [ ] per cent. per annum][for each fixed interest period, at the fixed rate of interest corresponding to the fixed interest period end date on which the relevant fixed interest period ends as set out below:</p> <table border="1" data-bbox="504 808 1426 1128"> <thead> <tr> <th data-bbox="504 808 922 893">Fixed Interest Period End Date</th> <th data-bbox="922 808 1426 893">Rate of Interest (Step Up) (per cent. per annum)</th> </tr> </thead> <tbody> <tr> <td data-bbox="504 893 922 954">[ ]</td> <td data-bbox="922 893 1426 954">[ ]</td> </tr> <tr> <td data-bbox="504 954 922 1014">[ ]</td> <td data-bbox="922 954 1426 1014">[ ]</td> </tr> <tr> <td data-bbox="504 1014 922 1075">[ ]</td> <td data-bbox="922 1014 1426 1075">[ ]</td> </tr> <tr> <td data-bbox="504 1075 922 1128">[ ]</td> <td data-bbox="922 1075 1426 1128">[ ]</td> </tr> </tbody> </table> <p>[The Notes bear interest from (and including) [ ] at a floating rate calculated by reference to [ ] [[plus/minus] a margin of [ ] per cent.][and for each interest period plus a margin corresponding to the interest period end date on which the relevant interest period ends as set out below:</p> <table border="1" data-bbox="504 1279 1426 1570"> <thead> <tr> <th data-bbox="504 1279 922 1339">Interest Period End Date</th> <th data-bbox="922 1279 1426 1339">Margin (Step Up)</th> </tr> </thead> <tbody> <tr> <td data-bbox="504 1339 922 1400">[ ]</td> <td data-bbox="922 1339 1426 1400">[ ]</td> </tr> <tr> <td data-bbox="504 1400 922 1460">[ ]</td> <td data-bbox="922 1400 1426 1460">[ ]</td> </tr> <tr> <td data-bbox="504 1460 922 1520">[ ]</td> <td data-bbox="922 1460 1426 1520">[ ]</td> </tr> <tr> <td data-bbox="504 1520 922 1570">[ ]</td> <td data-bbox="922 1520 1426 1570">[ ]</td> </tr> </tbody> </table> <p>[The Notes will bear interest from (and including) [ ] at the [floating-rate][fixed rate] specified above until [ ] [the date notified to holders of the Notes by the Issuer], after which the Notes will bear interest at the [floating-rate][fixed rate] specified above.]</p> <p>[The Notes will bear interest from (and including) [ ] for each interest period at a rate calculated as the product of the Specified Fixed Rate and the Relevant Fraction for a relevant interest period.</p> <p>Where:</p> <p><b>"Specified Fixed Rate"</b> means [ ] per cent. per annum.</p> <p><b>"Relevant Fraction"</b> means an amount calculated in accordance with the following formula:</p>	Fixed Interest Period End Date	Rate of Interest (Step Up) (per cent. per annum)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	Interest Period End Date	Margin (Step Up)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Fixed Interest Period End Date	Rate of Interest (Step Up) (per cent. per annum)																					
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		<p style="text-align: center;">N1/N2</p> <p>"N1" means the number of calendar days during an interest period for which the rate calculated by reference to [ ] is calculated to be [greater than or equal to] [greater than] [ ] and [less than or equal to] [less than] [ ] [and the rate calculated by reference to [ ] is calculated to be [greater than or equal to] [greater than] [ ] and [less than or equal to] [less than] [ ]].</p> <p>"N2" means the number of calendar days during an interest period.</p> <p>[The Notes will bear interest from (and including) [ ] at a rate calculated by subtracting the rate for each interest period calculated by reference to [ ] on [ ] from [ ].</p> <p>[The maximum rate of interest payable on the Notes is fixed at [ ] per cent. per annum]. [The minimum rate of interest payable on the Notes is fixed at [ ] per cent. per annum].</p> <p>Interest will be paid [annually] [semi-annually] [quarterly] [monthly] in arrear on [ ] and [ ] in each year. The first interest payment will be made on [ ].]</p> <p>[The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p><b>Redemption</b></p> <p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Manager or Dealer at the time of issue of the relevant Notes.</p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [ ] [the Interest Payment Date following or nearest to [ ]] at [[ ] per cent. of their nominal amount].</p> <p>The Notes may be redeemed early for tax reasons and, if applicable, at the option of the Issuer under an Issuer call option or at the option of the Noteholders under an investor put option.</p> <p>[Upon giving not less than [ ] business days notice, the Issuer has the option to redeem the Notes on [ ] at [par] [ ].]</p> <p>[Upon any holder of the Notes giving not less than [ ] business days' notice, the Issuer will redeem the Notes on [ ] at [par] [ ].]</p> <p>[The Notes may be redeemed early for tax reasons at [par] [ ].]</p> <p>[If the rate calculated by reference to [ ] is [greater than or equal to] [greater than] [ ] or [less than or equal to] [less than] [ ], the Notes will be automatically redeemed on [ ] at [par] [ ].]</p> <p><b>Indication of Yield</b></p> <p>The yield is calculated on [ ] on the basis of the Issue Price. It is not an indication of future yield</p> <p>[Not applicable][The yield is [ ] per cent. per annum.]</p>
C.10	<b>Derivative component in interest payments:</b>	<p>[Not applicable; there are no derivative components in interest payments.]</p> <p>[Not applicable; no interest is payable on the Notes].</p>

C.11	<b>Admission to trading</b>	<p>Notes issued under the Program may be listed and admitted to trading on the London Stock Exchange or such other market as specified below, or may be issued on an unlisted basis.</p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market of] [London Stock Exchange] [ ] [with effect from [ ]].]</p> <p>[The Notes are not listed.]</p>
C.21	<b>Market where the Securities will be traded</b>	<p>Notes issued under the Program may be listed and admitted to trading on the London Stock Exchange or such other market as specified below, or may be issued on an unlisted basis.</p> <p>[The Notes will be admitted to trading on [ ]].]</p> <p>[The Notes are not admitted to trading.]</p>
<b>SECTION D – RISKS</b>		
D.2	<b>Key risks that are specific to the Issuer</b>	<p>The Issuer and its subsidiaries and affiliates are subject to the following key risks:</p> <p>As a large, international financial services company, the Issuer and its subsidiaries and affiliates face risks that are inherent in the business and market places in which they operate. Material factors that could affect the Issuer's businesses, results of operations and financial condition and the Issuer's ability to fulfil its obligations include, but are not limited to, general business, economic and political conditions in the United States and in other countries; mortgage and housing market-related conditions, contractual and legal settlement-related obligations and litigation; liquidity risks, including risks associated with adverse changes to the Issuer's credit ratings, liquidity of global markets, interest rates and the potential inability of the Issuer to meet its contractual and contingent financial obligations as they become due; credit risks, including the risk of loss arising from default of a borrower, obligor or counterparty when such borrower, obligor or counterparty does not meet its obligations; market risks, including the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions and related risks inherent in the financial instruments associated with the Issuer's operations, including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives; regulatory and legal risk, including risks stemming from changes in applicable laws or regulations in the United States and in other countries; reputational risks; risks arising from governmental fiscal and monetary policies in the United States and in other countries; competition in the financial services industry; the adequacy of the Issuer's risk management framework; and changes in accounting standards.</p>
D.3	<b>Key information on the key risks that are specific to the Securities</b>	<p>The Notes are subject to the following key risks:</p> <ul style="list-style-type: none"> <li>• Investors in the Notes may be subject to loss of some or all of their investment if the Issuer is subject to bankruptcy or insolvency proceedings or some other event occurs which impairs the ability of the Issuer to meet its obligations under the Notes.</li> <li>• The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.</li> </ul>

		<ul style="list-style-type: none"> <li>• It is not possible to predict the price at which Notes will trade in the secondary market or whether such market will be illiquid or liquid. In addition, certain Notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility. Noteholders may not be able to sell such Notes readily or at prices that will enable them to realize their anticipated yield.</li> <li>• [The Senior Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally with all other unsubordinated and unsecured indebtedness of the Issuer.]</li> <li>• [The Subordinated Notes constitute unsecured and subordinate obligations of the Issuer and are subject in right of payment to the prior payment in full of all the Issuer's Senior Indebtedness and there is no right of acceleration in the case of default in payment of interest on the Subordinated Notes or on the performance of any other obligation of the Issuer under the Subordinated Notes.]</li> <li>• [An optional redemption feature of the Notes is likely to limit their market value; the market value of those Notes generally will not rise substantially above the redemption price during the period when the Issuer may elect to redeem. In addition, the Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes; at such times, an investor may only be able to reinvest the redemption proceeds at a significantly lower rate.]</li> <li>• [Investment in Fixed-Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed-Rate Notes.]</li> <li>• [The rate of interest on Fixed/Floating-Rate Notes may vary and may affect the market value of the Notes.] [If the Issuer chooses to convert the Notes from the fixed rate to the floating rate, the spread on the Fixed/Floating-Rate Notes may be less favourable than the prevailing spreads on comparable floating-rate notes tied to the same reference rate.][If the Issuer chooses to convert the Notes from the floating rate to the fixed rate, the fixed rate may be lower than the prevailing rates on its other Notes.]</li> <li>• [The Inverse Floating-Rate Notes are more volatile than conventional floating rate, notes as an increase in the reference rate will decrease the interest rate of the Notes and may also reflect an increase in the prevailing interest rates, which further adversely affects the market value.]</li> </ul>
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**SECTION E – THE OFFER**

E.2b	<p><b>Reasons for the offer and use of proceeds</b></p>	<p>The net proceeds from the sale of the Notes by the Issuer will be used for general corporate purposes.</p> <p>If the Issuer elects at the time of issuance of the Notes to make different or more specific use of proceeds, the Issuer will describe that use in the applicable Final Terms.</p> <p>[The net proceeds from the sale of the Notes by the Issuer will be used for its [general corporate purposes] [and] [     ].]</p>
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E.3	<b>Terms and conditions of the offer</b>	<p>The terms and conditions of the offer will be determined by agreement between the Issuer and the relevant [Manager][Dealer] at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the Dealers or Managers, as applicable) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. Such information shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer or any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.</p> <p>[Not applicable; the Notes may be offered only in the circumstances in which an exemption from the obligation to publish a prospectus under the Prospectus Directive applies in respect of such offer.]</p> <p>[An offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in the [United Kingdom] [Austria] [Belgium] [Bulgaria] [Cyprus] [Czech Republic] [Denmark] [Estonia] [Finland] [France] [Germany] [Greece] [Hungary] [Iceland] [Ireland] [Italy] [Latvia] [Lithuania] [Luxembourg] [Malta] [Netherlands] [Norway] [Poland] [Portugal] [Romania] [Slovenia] [Slovakia] [Spain] [Sweden] ("<b>Public Offer Jurisdiction[s]</b>") during the period [from [(and including)] [ ] to [(and including)] [ ]] ("<b>Offer Period</b>") by the Authorised Offeror[s].</p> <p>The issue price of the Notes is [ ] per cent of the their nominal amount (the "<b>Issue Price</b>").</p> <p>Offer Price: [Issue Price] [Not applicable][ [ ] ]</p> <p>Conditions to which the offer is subject: [Not applicable] [ ]</p> <p>Description of the application process: [Not applicable][ [ ] ]</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable] [ ]</p> <p>Details of the minimum and/or maximum amount of application: [Not applicable] [ ]</p> <p>Details of the method and time limits for paying up and delivering the Notes: [Not applicable] [ ]</p> <p>Manner in and date on which results of the offer are to be made public: [Not applicable] [ ]</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable] [ ]</p> <p>Whether tranche(s) have been reserved for certain countries: [Not applicable] [ ]</p>
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		<p>Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [Not applicable] [ ]</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable] [ ]</p> <p>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [ ] [and any additional financial intermediaries who have or who obtain the Issuer's consent to use the Base Prospectus in connection with the Public Offer and who are identified on the website of the Issuer as an Authorised Offeror] (together, the "Authorised Offerors")</p> <p>Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates: [Not applicable] [ ]</p>
E.4	<b>Interests material to the issue/offer</b>	<p>The relevant Managers or Dealers may be paid fees in relation to any issue of Notes under the Program. In the ordinary course of their business activities, the Managers and the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of customers, which may involve securities and/or instruments of the Issuer. Certain of the Managers and Dealers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer.</p> <p>[Save for any fees payable to [the/each] [Manager] [Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer] [ ].</p>
E.7	<b>Estimated expenses</b>	<p>It is not anticipated that the Issuer will charge any expenses to Investors in connection with an offer of Notes. Authorised Offerors may charge expenses. Such expenses (if any) will be determined on a case by case basis but would be expected to be in the range of between zero per cent. and ten per cent. of the nominal amount of the Notes to be purchased by the Investor.</p> <p>[Not applicable; no expenses will be charged to the Investor.][No expenses will be charged to the investor by the Issuer. Expenses may be charged by an Authorised Offeror in the range between [ ] per cent. and [ ] per cent. of the nominal amount to the Notes to be purchased by the Investor.]</p>

## RISK FACTORS

*The following section does not describe all of the risks and investment considerations (including those relating to the prospective investor's particular circumstances) with respect to an investment in the Notes. Prospective investors should consult their own financial, legal, tax, and other professional advisors as to the risks arising from an investment in an issue of Notes (in particular, to evaluate the sensitivity of an investment to changes in economic conditions, interest rates, exchange rates, or other indices or factors which may have a bearing on the merits and risk of an investment), and the suitability of the investment for the investor. The Issuer believes that the factors described below and in the Issuer's Annual Report on Form 10-K for the year ended December 31, 2012 (the "2012 Form 10-K Annual Report") under the caption "Item 1A. Risk Factors" represent the principal risks inherent in an investment in the Notes.*

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Program. In addition, factors which are material for the purpose of assessing the market for Notes under the Program are also described below.

Capitalized terms defined under "Form of Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this section.

### **Risks relating to the Issuer's business**

As a large, international financial services company, the Issuer and its subsidiaries and affiliates face risks that are inherent in the business and market places in which they operate. Material factors that could affect the Issuer's businesses, results of operations and financial condition and the Issuer's ability to fulfil its obligations include, but are not limited to, general business, economic and political conditions in the United States and in other countries; mortgage and housing market-related conditions, contractual and legal settlement-related obligations and litigation; liquidity risks, including risks associated with adverse changes to the Issuer's credit ratings, liquidity of global markets, interest rates and the potential inability of the Issuer to meet its contractual and contingent financial obligations as they become due; credit risks, including the risk of loss arising from default of a borrower, obligor or counterparty when such borrower, obligor or counterparty does not meet its obligations; market risks, including the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions and related risks inherent in the financial instruments associated with the Issuer's operations, including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives; regulatory and legal risk, including risks stemming from changes in applicable laws or regulations in the United States and in other countries; reputational risks; risks arising from governmental fiscal and monetary policies in the United States and in other countries; competition in the financial services industry; the adequacy of the Issuer's risk management framework; and changes in accounting standards. These and other factors or risks relating to the Issuer's business are described on pages 4 to 19 of the Issuer's 2012 Form 10-K Annual Report, under the caption "Item 1A. Risk Factors".

### **Risks relating to Notes generally**

#### ***Investors risk losing some or all of their investment in the Notes***

**Investors in the Notes may be subject to loss of some or all of their investment if the Issuer is subject to bankruptcy or insolvency proceedings or some other event occurs which impairs the ability of the Issuer to meet its obligations under the Notes. An investor may also lose some or all of its investment if it seeks to sell the relevant Notes prior to their scheduled maturity, and the sale price of the Notes in the secondary market is less than the initial investment or the relevant Notes are subject to certain adjustments in accordance with the terms and conditions of such Notes that may result in the scheduled amount to be paid upon redemption being reduced to an amount less than an investor's initial investment.**

***The Notes are unsecured obligations.*** The Senior Notes constitute unsecured and unsubordinated obligations of the Issuer and rank equally with all other unsubordinated and unsecured indebtedness of the Issuer. The Subordinated Notes constitute unsecured and subordinate obligations of the Issuer and are subject in right of payment to the prior payment in full of all the Issuer's Senior Indebtedness and

there is no right of acceleration in the case of default in the payment of interest on the Subordinated Notes or in the performance of any other obligation of the Issuer under the Subordinated Notes.

Since the Issuer is a holding company, the right of the Issuer, and hence the right of creditors of the Issuer (including the Noteholders), to participate in any distribution of the assets of any subsidiary of the Issuer upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Issuer itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries to the Issuer are restricted by net capital requirements under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and under the rules of certain exchanges and other regulatory bodies.

***The Issuer may make certain modifications to the Notes without the consent of the Noteholders.*** The Terms and Conditions provide that the Principal Agent and the Issuer may, without the consent of Noteholders, agree to (i) any modification (subject to certain specific exceptions) of the Notes or the Agency Agreement which is not prejudicial to the interests of the Noteholders or (ii) any modification of the Notes or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

***At meetings of Noteholders, the decision of the majority will bind all Noteholders.*** The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***The secondary market price of the Notes may be less than the Issue Price.*** Investors should note that, in certain circumstances immediately following the issue of the Notes, the secondary market price of the Notes may be less than the Issue Price in the event that the Issue Price included the fees to be paid to distributor(s).

***The occurrence of a Payment Disruption Event may lead to a delayed and/or reduced payment.*** If a Payment Disruption Event is applicable to a Note, as specified in the applicable Final Terms, then, in the event that the Calculation Agent determines, in its sole discretion, that an event that (i) prevents, restricts, or delays the Issuer from converting or delivering relevant currencies, (ii) imposes capital controls, or (iii) implements changes to laws relating to foreign investments (a "**Payment Disruption Event**") has occurred or is likely to occur, then either (a) the relevant payment date in respect of the Notes or (b) the Issuer's obligation to make a payment in respect of such payment date may be postponed to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to Noteholders) after the date on which the Payment Disruption Event is no longer occurring. No accrued interest will be payable in respect of any such postponement and no Event of Default in respect of the Notes will result from such postponement. Partial payments may, in the Issuer's sole discretion, be made during such period (after deduction for any expenses). In the event that a Payment Disruption Event is still continuing on the date which is one year after the last date on which amounts are due under the Notes (the "**Payment Event Cut-Off Date**"), then (1) such final payment date shall be extended to the Payment Event Cut-Off Date and (2) the remaining amounts payable under the Notes shall be deemed to be zero and the Issuer shall have no obligations whatsoever under the Notes. Therefore, in a case where Payment Disruption Event is relevant, as specified in the applicable Final Terms, the Noteholder could lose all or part of its investment in the Notes.

In the event that the Issuer satisfies its obligation to make a cash payment by the delivery of shares following the occurrence of a Payment Disruption Event, Noteholders may be unable to sell such shares, or may be unable to sell them at a price equal to the cash payment that would have been payable but for the occurrence of the Payment Disruption Event.

***The occurrence of a CNY Payment Disruption Event may lead to a delayed and/or reduced payment or payment in another currency.*** If a CNY Payment Disruption Event is applicable to a Note, as specified in the applicable Final Terms, then, in the event that the Calculation Agent determines, in its sole discretion, that any of the following events has occurred or is likely to occur: (i) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the Notes in the general CNY foreign exchange market in the relevant CNY Settlement Center(s), (ii) an event that makes it impossible or impractical for the Issuer to deliver CNY between accounts inside the relevant CNY Settlement Center(s) or from an account inside the relevant CNY Settlement Center(s) to

an account outside the relevant CNY Settlement Center(s), or (iii) the general CNY foreign exchange market in the relevant CNY Settlement Center becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Notes (each, a "**CNY Payment Disruption Event**"), then either (a) the relevant payment date in respect of the Notes, or (b) the Issuer's obligation to make a payment in respect of such payment date, may be postponed to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to Noteholders) after the date on which the CNY Payment Disruption Event is no longer occurring. No accrued interest will be payable in respect of any such postponement and no Event of Default in respect of the Notes will result from such postponement. In the event that a CNY Payment Disruption Event is still continuing on the Payment Event Cut-Off Date, then (1) such final payment date shall be extended to the Payment Event Cut-Off Date and (2) the remaining amounts payable under the Notes shall be deemed to be zero and the Issuer shall have no obligations whatsoever under the Notes. Therefore, in a case where a CNY Payment Disruption Event is relevant, as specified in the applicable Final Terms, the Noteholder could lose all or part of its investment in the Notes. If "Payment of Equivalent Amount" is applicable to a Note, as specified in the applicable Final Terms, the Issuer may make payment of the equivalent amount of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount, or other amount payable under the Notes in another currency as specified in the applicable Final Terms.

***Risks relating to Notes denominated in CNY.*** All payments in CNY under the Notes will be made solely by credit or transfer to a CNY account maintained by the payee with a bank in the CNY Settlement Center in accordance with the prevailing rules and regulations and in accordance with the terms and conditions of the Notes. The Issuer shall not be required to make payment by any other means (including in bank notes or by transfer to a bank account in the People's Republic of China or anywhere else other than the CNY Settlement Center).

There is only limited availability of CNY outside the People's Republic of China, which may affect the liquidity of the Notes and the Issuer's ability to source CNY outside the People's Republic of China to fulfil its payment obligations under the Notes.

CNY is not freely convertible at present. The government of the People's Republic of China continues to regulate conversion between CNY and foreign currencies despite the significant reduction over the years by such government of its control over routine foreign exchange transactions under current accounts. The People's Bank of China ("**PBOC**") has established a clearing and settlement system pursuant to the Settlement Agreement on the Clearing of CNY Business between PBOC and Bank of China (Hong Kong) Limited. However, the current size of CNY and CNY-denominated financial assets in the Hong Kong Special Administrative Region is limited, and its growth is subject to many constraints imposed by the laws and regulations of the People's Republic of China on foreign exchange. There can be no assurance that access to CNY funds for the purposes of making payments under the Notes or generally may remain or will not become restricted.

The value of CNY against foreign currencies fluctuates and is affected by changes in the People's Republic of China and international political and economic conditions and by many other factors. As a result, foreign exchange fluctuations between the Investor's Currency (as defined below) and CNY may affect investors who intend to convert gains or losses from the sale or redemption of the Notes into the Investor's Currency. The government of the People's Republic of China has gradually liberalized the regulation of interest rates in recent years. Further liberation may increase interest rate volatility.

***There may be conflicts of interest between the Issuer, its Affiliates and the Noteholders.*** The Issuer and/or any of its Affiliates or agents may engage in activities that may result in conflicts of interest between its and its Affiliates' or agents' financial interests on the one hand and the interests of the Noteholders on the other hand. The Issuer also may enter into arrangements with Affiliates or agents to hedge market risks associated with its obligations under the securities. Any such Affiliate or agent would expect to make a profit in connection with such arrangements. The Issuer would not seek competitive bids for such arrangements from unaffiliated parties.

Where the Notes are offered to the public, as the Dealer(s) and any distributors act pursuant to a mandate granted by the Issuer and they receive fees on the basis of the services performed and the outcome of the placement of the Notes, potential conflicts of interest could arise.

In addition, the Calculation Agent may be an Affiliate of the Issuer and in such capacity may make certain determinations and calculate amounts payable to Noteholders. Under certain circumstances, the Calculation Agent, as an Affiliate of the Issuer, and its responsibilities as calculation agent for the Notes could give rise to potential conflicts of interest between the Calculation Agent and the Noteholders.

***If the Issuer determines that the performance of its obligations under the Notes has or will become illegal in whole or in part for any reason, the Issuer may redeem or cancel the Notes, as applicable.*** If, in the case of illegality and to the extent permitted by applicable law, the Issuer redeems or cancels the Notes, then the Issuer will redeem each Note at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption less hedging costs, which may be less than the purchase price of the Notes and may in certain circumstances be zero.

***Holders of beneficial interests in a Registered Global Note must rely on the Relevant Clearing System procedures.*** Notes issued under the Program may be represented on issue by a Registered Global Note that may be deposited with either a common depository or common safekeeper for the Relevant Clearing System (see "*Form of the Notes*"). Except in the circumstances described in each Registered Global Note, investors will not be entitled to receive such Notes in definitive form. Each Relevant Clearing System and their respective direct and indirect participants will maintain records of the beneficial interests in each Registered Global Note held through it. While the Notes are represented by a Registered Global Note, investors will be able to trade their beneficial interests only through the Relevant Clearing System and its respective participants.

While the Notes are represented by a Registered Global Note, the Issuer will discharge its payment obligation under the Notes by making payments through the Relevant Clearing System. A holder of a beneficial interest in a Registered Global Note must rely on the procedures of the Relevant Clearing System and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Registered Global Note.

Holders of beneficial interests in a Registered Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the Relevant Clearing System and its participants to appoint appropriate proxies.

#### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Program. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the risks resulting from the most common features:

***Notes may be subject to optional redemption by the Issuer, which may limit their market value.*** An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, a Noteholder generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The rate of interest on Fixed/Floating-Rate Notes may vary, which may affect their market value.*** Fixed/Floating-Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate either automatically or at the Issuer's option. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating-Rate Notes may be less favorable than then prevailing spreads on comparable Floating-Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the Issuer's other Notes. If the Issuer converts

from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the prevailing rates on its Notes.

***Market values of Inverse Floating-Rate Notes are more volatile than conventional floating-rate debt securities.*** Inverse Floating-Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Inter-Bank Offered Rate ("**LIBOR**"). The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating-Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

***Notes issued at a substantial discount or premium may be volatile.*** The market value of Notes issued at a substantial discount or premium from their principal amount may fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### **Risks relating to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk, and credit risk that may have an impact on an investment in the Notes.

***Many factors will determine the price of the Notes in the secondary market and such market may be illiquid.*** It is not possible to predict the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or admit to trading Notes on a stock exchange or market. If the Notes are not listed or admitted to trading on any stock exchange or market, pricing information for the Notes may be more difficult to obtain and the liquidity of the Notes may be adversely affected. If the Issuer does list or admit to trading an issue of Notes, there can be no assurance that, at a later date, the Notes will not be delisted or that trading on such stock exchange or market will not be suspended. In the event of a de-listing or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Notes on another stock exchange or market, unless it concludes it would be unduly burdensome to do so.

The Issuer cannot assure holders of the Notes that a trading market for their Notes will ever develop or be maintained. Many factors independent of the creditworthiness of the Issuer affect the trading market of the Notes. These factors include:

- (i) the complexity and volatility of the formula or other basis of reference applicable to the Notes;
- (ii) the method of calculating amounts payable in respect of the Notes;
- (iii) the time remaining to redemption of the Notes;
- (iv) the aggregate amount of Notes outstanding;
- (v) any redemption feature of the Notes;
- (vi) the value of other formula or other basis of reference applicable to the Notes;
- (vii) the level, direction, and volatility of market interest rates generally;
- (viii) the general economic conditions of the capital markets, as well as geopolitical conditions and other financial, political, regulatory, and judicial events that affect the financial markets generally, may affect the value of the Notes; and
- (ix) the possibility that investors may be unable to hedge their exposure to risks relating to their Notes.

In addition, certain Notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility. Noteholders

may not be able to sell such Notes readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Notes unless such investor understands and is able to bear the risk that such Notes may not be readily saleable, that the value of such Notes will fluctuate over time, that such fluctuations may be significant, and that such investor may lose all or a substantial portion of the purchase price of the Notes.

The Issuer or any of its Affiliates may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private treaty for their own account for business reasons or in connection with their hedging arrangements. Any Notes so purchased may be held or resold or surrendered for cancellation. The Issuer or any of its Affiliates may, but is not obliged to, be a market-maker for an issue of Notes. Even if the Issuer or such other entity is a market-maker for an issue of Notes, the secondary market for such Notes may be limited. These activities may affect the price of such obligations or Notes in a manner that would be adverse to a Noteholder's investment in the Notes. The Issuer and its Affiliates have not considered, and are not required to consider, the interest of investors as Noteholders in connection with entering into any of the above mentioned transactions.

There may be less liquidity in the market for Notes if the Notes are exclusively offered to retail investors without any offer to institutional investors. To the extent that an issue of Notes becomes illiquid, an investor may have to wait until the Maturity Date of such Notes to realize value.

***Investors may be subject to foreign exchange exposure and the Notes may become subject to exchange controls.*** The Issuer will pay the Final Redemption Amount in respect of the Notes in the Specified Currency specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the Final Redemption Amount in respect of the Notes, and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose exchange controls (as some have done in the past) that could adversely affect an applicable exchange rate. As a result, the Final Redemption Amount that investors may receive may be less than expected or zero.

***Changes in market interest rates may adversely affect the value of the Fixed-Rate Notes.*** Investment in Fixed-Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed-Rate Notes.

***In certain circumstances the Issuer will not be obliged to maintain the listing of Notes which are specified as being listed in the applicable Final Terms.*** When the Issuer specifies in the applicable Final Terms that a Series of Notes is to be admitted to trading on the London Stock Exchange's Main Market and admitted to listing on the Official List of the Financial Conduct Authority and/or listed on or admitted to trading by any other relevant stock exchange or market within the European Union ("**EU**"), which qualifies as a regulated market within the meaning of Article 4(14) of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (each, an "**EU Exchange**"), the Issuer expects, but is not obliged, to maintain such listing of the Notes on such EU Exchange(s). Changed circumstances, including changes in listing requirements, could result in a suspension or removal of any such listing, or cause the Issuer to conclude that continued listing of the Notes on such EU Exchange(s) is unduly burdensome.

***Legal investment considerations may restrict certain investments.*** The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Payments on the Notes are subject to the credit risk of the Issuer, and the value of the Notes will be affected by a credit rating reduction of the Issuer.*** The amount payable on the Notes at maturity or upon earlier redemption is dependent upon the ability of the Issuer to repay its obligations on the applicable maturity date, or earlier redemption date. No assurance can be given as to what the Issuer's financial condition will be on the applicable maturity date or earlier redemption date. The value of the Notes is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness and actual or anticipated changes in the Issuer's credit ratings prior to the maturity date or earlier redemption date may affect the value of the Notes. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding Notes by standard statistical rating services. A reduction (or anticipated reduction) in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the trading value of the Notes. As the return on the Notes depends upon factors in addition to the Issuer's ability to pay its respective obligations, an improvement in these credit ratings will not reduce the other investment risks related to the Notes. A credit rating is not a recommendation to buy, sell, or hold any of the Notes, may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

***Proposals to reform LIBOR may negatively affect Floating-Rate Notes.*** A change in the method of calculation or discontinuance of the LIBOR could have a negative impact on the value of Floating-Rate Notes where the interest rate is calculated with reference to LIBOR. The current administrator of LIBOR is the British Bankers' Association ("**BBA**"), but there are proposals to replace the BBA in such role. Any new administrator of LIBOR may make methodological changes that could change the level of LIBOR, which in turn may adversely affect the value of the Floating-Rate Notes. Any new administrator of LIBOR may also alter, discontinue or suspend calculation or dissemination of LIBOR. No administrator of LIBOR will have any involvement in the offer and sale of the Floating-Rate Notes or any obligation to any investor in respect of such Floating-Rate Notes. The administrator of LIBOR may take any actions in respect of LIBOR without regard to the interests of any investor in the Floating-Rate Notes, and any of these actions could have an adverse effect on the value of and payments under the Floating-Rate Notes.

In addition, the proposals suggest reducing the number of currencies and tenors for which LIBOR is calculated.

If the rate of interest on the relevant Floating-Rate Notes is calculated with reference to a discontinued currency or tenor, such rate of interest may be determined by the Calculation Agent in its own discretion. Furthermore, the proposed changes, when implemented, may change the way in which LIBOR is calculated under the Floating-Rate Notes. Any such event could result in the rate of interest being lower than anticipated, which would adversely affect the value of and payments under the Floating-Rate Notes.

The proposals to reform LIBOR also include compelling more banks to provide LIBOR submissions, and basing these submissions on actual transactions data. This may cause LIBOR to be more volatile than it has been in the past, which may adversely affect the value of the Floating-Rate Notes.

### INCORPORATION BY REFERENCE

The following documents, which have been filed with the United States Securities and Exchange Commission (the "SEC") and which have previously been approved by, or filed with, the Financial Conduct Authority, shall be deemed to be incorporated by reference in, and form part of, and must be read in conjunction with, this Base Prospectus:

- (i) the Issuer's Current Reports on Form 8-K filed with the SEC on the following dates:
  - (A) January 7, 2013 (the "**January 7, 2013 Form 8-K**"), in relation to a press release regarding the Issuer's results of operations and financial condition for the fourth quarter of 2012, and the Issuer's agreement with the Federal National Mortgage Association dated January 6, 2013;
  - (B) January 17, 2013 (the "**January 17, 2013 Form 8-K**"), in relation to a press release regarding the Issuer's results of operations and financial condition for the fourth quarter and year ended December 31, 2012;
  - (C) January 23, 2013 (the "**January 23, 2013 Form 8-K**"), in relation to a press release regarding the appointment of directors of the Issuer;
  - (D) January 31, 2013 (the "**January 31, 2013 Form 8-K**"), in relation to a director of the Issuer who would not be standing for re-election;
  - (E) March 14, 2013 (the "**March 14, 2013 Form 8-K**"), in relation to a news release regarding certain planned capital actions by the Issuer and the receipt of no objection from the U.S. Board of Governors of the Federal Reserve System to the Issuer's 2013 Comprehensive Capital Analysis and Review;
  - (F) March 15, 2013 (the "**March 15, 2013 Form 8-K**"), in relation to a press release regarding a director who would not be standing for re-election and the appointment of that director to the Issuer's Global Advisory Council;
  - (G) April 1, 2013 (the "**April 1, 2013 Form 8-K**"), in relation to a news release regarding an announcement that the Issuer had submitted redemption notices for various securities;
  - (H) April 17, 2013 (the "**April 17, 2013 Form 8-K**"), in relation to a press release regarding the Issuer's results of operations and financial condition for the first quarter ended March 31, 2013;
  - (I) May 6, 2013 (the "**May 6, 2013 Form 8-K**"), in relation to a news release announcing a comprehensive settlement with MBIA Inc. and certain of its affiliates to resolve all outstanding representations and warranties claims and all other claims between the parties; and
  - (J) May 8, 2013 (the "**May 8, 2013 Form 8-K**"), in relation to the submission of matters to a vote of security holders,

(other than, with respect to these reports, information that is furnished but deemed not to have been filed under the rules of the SEC);

- (ii) the following pages of the Issuer's unaudited Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (the "**First Quarter 2013 Form 10-Q Quarterly Report**"):
  - (A) pages 3 to 236; and
  - (B) page 258\* (being Exhibit 12).

\* These page numbers are references to the PDF pages included in the First Quarter 2013 Form 10-Q Quarterly Report;

- (iii) the following pages of the Issuer's Annual Report on Form 10-K for the year ended December 31, 2012 (the "**2012 Form 10-K Annual Report**"):
- (A) pages 1 to 288;
  - (B) page 289\* to 292\* (being the Index of Exhibits);
  - (C) pages 333\* (being Exhibit 12);
  - (D) pages 334\* to 356\* (being Exhibit 21); and
  - (E) pages 359\* to 361\* (being Exhibit 24).

\* These page numbers are references to the PDF pages included in the 2012 Form 10-K Annual Report;

provided that for the purposes of the prospectus rules enacted under section 73A of the FSMA, any documents incorporated by reference into the above documents do not form part of this Base Prospectus. Any parts of the above documents which are not incorporated by reference into this Base Prospectus are either not relevant for the investor or are covered elsewhere in this Base Prospectus.

The financial information of the Issuer on a consolidated basis for the two years ended December 31, 2012, has been incorporated by reference herein and is contained in the 2012 Form 10-K Annual Report.

Investors in the Notes shall be deemed to have notice of all information contained in the documents incorporated by reference into this Base Prospectus, as if all such information were included in this Base Prospectus. Investors who have not previously reviewed such information should do so in connection with their purchase of Notes. Copies of all such reports will be available for inspection without charge at the office of the Principal Agent in London.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents incorporated herein by reference. Written requests for such documents should be directed to: Bank of America Corporation, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, Attention: Fixed Income Investor Relations, or [fixedincomeir@bankofamerica.com](mailto:fixedincomeir@bankofamerica.com). Telephone requests may be directed to +1-866-607-1234 (toll free) or +1-212-449-6795. The Issuer's filings with the SEC are available through (1) the SEC's website at [www.sec.gov](http://www.sec.gov) or the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and (2) the Issuer's website at [www.bankofamerica.com](http://www.bankofamerica.com). References to web addresses in this Base Prospectus are included as inactive textual references only. Except as specifically incorporated by reference into this Base Prospectus, information on these websites is not part of this Base Prospectus.

### **USE OF PROCEEDS**

The net proceeds from the sale of the Notes by the Issuer will be used for general corporate purposes, including, without limitation, the Issuer's working capital needs; the funding of investments in, or extensions of credit to, its subsidiaries; possible investments in, or acquisitions of assets and liabilities of, other financial institutions or other businesses; possible reductions, redemptions or repurchases of outstanding indebtedness; possible repayments on outstanding indebtedness; or otherwise in the ordinary course of the Issuer's business. From time to time the Issuer may engage in additional capital financings of a character and in amounts that it will determine in light of its needs at such time or times and in light of prevailing market conditions. If the Issuer elects at the time of issuance of Notes to make different or more specific use of proceeds other than those set forth in this Base Prospectus, the Issuer will describe that use in the applicable Final Terms.

## BANK OF AMERICA CORPORATION

Bank of America Corporation is a Delaware corporation, a bank holding company, and a financial holding company. The Issuer was incorporated in 1998 (for an unlimited duration) as a part of the merger of BankAmerica Corporation with NationsBank Corporation. The Issuer's Delaware registration number is 2927442. The Issuer operates under the General Corporation Law of the State of Delaware, Title 8 of the Delaware Code 1953, sections 101 through 398, known as the "**Delaware General Corporation Law**". The Issuer's headquarters and principal place of business are located at 100 North Tryon Street, Charlotte, North Carolina 28255, United States of America, telephone number (704) 386-5681. The Issuer's objects and purposes are to engage in any lawful act or activity for which corporations may be organized and incorporated in the General Corporation Law of the State of Delaware, as specified in paragraph 2 of the Issuer's amended and restated certificate of incorporation.

### Business Segment Operations

The Issuer, through its subsidiaries throughout the U.S. and in international markets, provides a diversified range of banking and non-banking financial services and products in all 50 states of the United States, the District of Columbia, and more than 40 non-U.S. countries. The Issuer provides these services and products through five business segments: (1) *Consumer & Business Banking*, (2) *Consumer Real Estate Services*, (3) *Global Banking*, (4) *Global Markets*, and (5) *Global Wealth & Investment Management*.

### Board of Directors

As of the date of this Base Prospectus, the Directors of the Issuer are:

Director	Function	Principal Activities Outside of BAC
Charles O. Holliday, Jr.	Chairman of Board of Directors, Non-employee director	<ul style="list-style-type: none"> <li>• Former Chairman and Chief Executive Officer, E.I. du Pont de Nemours and Company</li> <li>• Current Member of Board of Directors of CHZM HILL Companies, Ltd., Deere &amp; Company and Royal Dutch Shell plc</li> </ul>
Sharon L. Allen	Non-employee director	<ul style="list-style-type: none"> <li>• Former Chairman, Deloitte LLP</li> </ul>
Susan S. Bies	Non-employee director	<ul style="list-style-type: none"> <li>• Former Member, Board of Governors of the Federal Reserve System</li> <li>• Current Member of Board of Directors of Zurich Insurance Group Ltd.</li> </ul>
Jack O. Bovender, Jr.	Non-employee director	<ul style="list-style-type: none"> <li>• Former Chairman and Chief Executive Officer, HCA, Inc.</li> </ul>
Frank P. Bramble, Sr.	Non-employee director	<ul style="list-style-type: none"> <li>• Former Executive Officer, MBNA Corporation</li> </ul>
Arnold W. Donald	Non-employee director	<ul style="list-style-type: none"> <li>• Former President and Chief Executive Officer, The Executive Leadership Council</li> <li>• Current Member of Board of Directors of Carnival Corporation; Carnival plc; Crown Holdings Inc.; and The Laclede Group, Inc.</li> </ul>
Charles K. Gifford	Non-employee director	<ul style="list-style-type: none"> <li>• Former Chairman of Board of Directors, BAC</li> <li>• Current Member of Board of Directors of CBS Corporation and</li> </ul>

<b>Director</b>	<b>Function</b>	<b>Principal Activities Outside of BAC</b>
Linda P. Hudson	Non-employee director	<ul style="list-style-type: none"> <li>Northeast Utilities</li> <li>President and Chief Executive Officer, BAE Systems, Inc.</li> <li>Current Member of Board of Directors of BAE Systems plc</li> </ul>
Monica C. Lozano	Non-employee director	<ul style="list-style-type: none"> <li>Chairman and Chief Executive Officer, ImpreMedia, LLC</li> <li>Current Member of Board of Directors of The Walt Disney Company</li> </ul>
Thomas J. May	Non-employee director	<ul style="list-style-type: none"> <li>President and Chief Executive Officer, Northeast Utilities</li> <li>Current Member of Board of Directors of Northeast Utilities and Liberty Mutual Holding Company Inc.</li> </ul>
Brian T. Moynihan	Chief Executive Officer	<ul style="list-style-type: none"> <li>None</li> </ul>
Lionel L. Nowell, III	Non-employee director	<ul style="list-style-type: none"> <li>Former Senior Vice President and Treasurer of PepsiCo, Inc.</li> <li>Current Member of Board of Directors of Reynolds American Inc. and American Electric Power Company, Inc.</li> </ul>
R. David Yost	Non-employee director	<ul style="list-style-type: none"> <li>Former Chief Executive Officer, AmerisourceBergen Corporation</li> <li>Current Member of Board of Directors of Exelis Inc.; Marsh &amp; McLennan Companies, Inc.; and Tyco International Ltd.</li> </ul>

The business address of each Director is 100 North Tryon Street, Charlotte, North Carolina 28255, United States of America.

No potential conflicts of interest exist between the duties to the Issuer of the members of the Board of Directors, as listed above, and their private interests and/or other duties.

### **Subsidiaries**

The Issuer acts as the holding company of over 1,600 subsidiary undertakings worldwide which are all operative within the financial services sector. Details of the Issuer's principal subsidiaries, each of which is wholly owned, directly or indirectly, by the Issuer, are set out below:

<b>Name</b>	<b>Address</b>	<b>Principal Activity</b>
Bank of America, N.A.	101 South Tryon Street Charlotte, North Carolina 28255	Commercial and consumer banking
FIA Card Services, N.A.	1100 North King Street Wilmington, Delaware 19884	Consumer credit
Merrill Lynch & Co., Inc.	Bank of America Corporate Center 100 North Tryon Street Charlotte, North Carolina 28255	Through its subsidiaries, investment banking, capital markets, advisory and wealth management

## Trend Information

The U.S. economy began 2012 with momentum in consumer spending, led by stronger vehicle sales and supported by larger private payroll gains. However, over the course of the year, consumer spending slowed and business spending continued to weaken following the expiration of 2011 tax incentives and ongoing uncertainties surrounding fiscal issues in the U.S. and Europe. Payroll gains steadied to a moderate pace, while business profits and cash flows continued to rise throughout the year. The unemployment rate ended the year at 7.8 per cent. Equity markets were volatile but finished with appreciable gains in 2012. The housing sector improved as new and existing home sales rose, home prices increased and residential building activity ended the year with its seventh consecutive quarterly rise.

In the U.S., economic growth accelerated in the first quarter of 2013 and many key economic factors continued to gradually improve. With economic growth suppressed in the fourth quarter of 2012 by a combination of weather-related events and an unusually sharp decline in federal defense expenditures, some acceleration had been anticipated, but actual economic performance exceeded consensus expectations in the first quarter, especially in light of fiscal cliff related anxiety. Consumer spending advanced at its most rapid pace in at least two years, with strong merchandise sales even as service spending continued to lag. In addition to the continued improvement of the housing sector and a pickup in business spending, real gross domestic product grew approximately 2.5 per cent. annualized during the first quarter of 2013. Employment gains were steady during the quarter, while the unemployment rate continued its gradual decline to 7.6 per cent. at March 31, 2013.

After briefly rising early in 2012, bond yields fell as the U.S. economy slowed and economic uncertainties in Europe intensified. The low bond yields also reflected the Board of Governors of the Federal Reserve System's ("**Federal Reserve Board**") monetary easing and related efforts to keep bond yields low. In December 2012, the Federal Reserve Board announced that it would purchase an additional \$45 billion per month of long-term U.S. Treasury securities, in addition to its \$40 billion per month in mortgage-backed securities purchases, and that any policy rate increase would be tied to a 6.5 per cent. unemployment rate target as long as inflation did not exceed 2.5 per cent.

In the first quarter of 2013, the Federal Reserve Board continued its \$40 billion in monthly purchases of agency mortgage-backed securities, began the \$45 billion in monthly purchases of long-term U.S. Treasury securities and maintained its forward guidance on interest rates expressed in terms of economic thresholds, which began in December 2012. Following the compromise on the fiscal cliff reached in early 2013, which allowed the two-year reduction in payroll taxes to expire and put in place select income tax rate hikes, attention turned to extending the continuing resolution authorizing U.S. federal spending and avoiding the automatic spending cuts (the sequestration) mandated if deficit reduction could not be achieved by other means. The continuing resolution was extended, avoiding any government shutdown and sequestration became effective on March 1, 2013. However, the Issuer expects that the impact of sequestration will likely be modest. Despite remaining fiscal uncertainties and international economic difficulties, U.S. equities posted a strong first quarter of 2013 and long-term U.S. Treasury yields rose moderately early in the first quarter of 2013, but reversed their gains late in the first quarter of 2013.

Europe experienced financial market turmoil, numerous policy interventions and spreading recession in 2012. The European Central Bank's ("**ECB**") long-term refinancing operations helped calm markets for a time but proved insufficient as emerging stresses generated renewed turmoil. In response to sharply rising sovereign bond yields, the ECB announced its willingness to intervene in sovereign debt markets under specified conditions which calmed markets and pushed down sovereign bond yields. Near year end, the benefits of structural reform, such as lower labour costs and smaller structural budget deficits, were becoming evident in select nations while sovereign spreads stabilised at lower levels. However, widespread recession persisted.

Although the Asian economy continued to expand in 2012, several key nations slowed during the year. China's economic growth remained subdued in 2012, adversely impacting international trade and overall Asian economic performance. Japan's economy expanded in the first half of the year but returned to recession in the second half of the year.

International developments in the first quarter of 2013 reflected increased economic momentum. Most European economies continued to contract but at a diminishing pace. As a whole, yield spreads for

periphery nations continued to benefit from the 2012 ECB clarification of its role as lender of last resort. Japan's economy also improved as the impacts of a depreciating Yen and expectations of increased monetary accommodation proved beneficial. China's economy exhibited signs of stabilization, while other emerging Asian economies have accelerated.

For additional information regarding trends and events impacting the Issuer's businesses and results of operations, see Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") on pages 23 through 152, inclusive, of the 2012 Form 10-K Annual Report and the MD&A on pages 3 through 127, inclusive, of the First Quarter 2013 Form 10-Q Quarterly Report.

## **Board Practices**

### ***Audit Committee***

The Issuer's Audit Committee, which as of the date hereof consists of four independent members of the Issuer's Board of Directors, provides direct oversight of the corporate audit function and the independent registered public accounting firm of the Issuer.

The members of the Audit Committee are Sharon L. Allen (Chair), Susan S. Bies, Lionel L. Nowell, III and R. David Yost.

## **Corporate Governance**

The Issuer has complied in all material respects with the corporate governance regime of the State of Delaware and all applicable provisions of Delaware General Corporation Law.

## **Ratings**

As of the date of this Base Prospectus, the Issuer's long-term senior debt is rated Baa2 (Negative) by Moody's, A- (Negative) by S&P and A (Stable) by Fitch. The Issuer's subordinated debt is rated Baa3 (Negative) by Moody's, BBB+ (Negative) by S&P and BBB+ (Stable) by Fitch.

The Program has been rated as follows:

Moody's: Senior Unsecured: (P)Baa2; Subordinated: (P)Baa3; Short-Term: (P)P-2.

S&P: Senior Unsecured: A-; Subordinated: BBB+.

Fitch: Senior Debt: A; Subordinated Debt: BBB+.

Credit ratings and outlooks may be adjusted over time, and so there is no assurance that these credit ratings and outlooks will be effective after the date of this Base Prospectus. A credit rating is not a recommendation to buy, sell, or hold any Notes.

## GOVERNMENT SUPERVISION AND REGULATION

*The following discussion describes, among other things, elements of an extensive regulatory framework applicable to bank holding companies, financial holding companies, banks and broker/dealers, including specific information about the Issuer and its subsidiaries. U.S. federal regulation of banks, bank holding companies, and financial holding companies is intended primarily for the protection of depositors and the Deposit Insurance Fund ("DIF") rather than for the protection of stockholders and creditors. For additional information about recent regulatory programs, initiatives and legislation that impact the Issuer, see Regulatory Matters in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") on page 64 of the 2012 Form 10-K Annual Report.*

### 1. General

The Issuer is subject to an extensive regulatory framework applicable to bank holding companies, financial holding companies and banks.

As a registered financial holding company and bank holding company, the Issuer is subject to the supervision of, and regular inspection by, the Federal Reserve Board. The Issuer's banking subsidiaries (the "**Banks**") organized as national banking associations are subject to regulation, supervision, and examination by the U.S. Office of the Comptroller of the Currency (the "**OCC**"), the U.S. Federal Deposit Insurance Corporation ("**FDIC**") and the Federal Reserve Board. The U.S. Consumer Financial Protection Bureau regulates consumer financial products and services.

U.S. financial holding companies, and the companies under their control, are permitted to engage in activities considered "financial in nature" as defined by the Gramm-Leach-Bliley Act of 1999 (the "**Gramm-Leach-Bliley Act**") and related Federal Reserve Board interpretations. Unless otherwise limited by the Federal Reserve Board, a financial holding company may engage directly or indirectly in activities considered financial in nature provided the financial holding company gives the Federal Reserve Board after-the-fact notice of the new activities. The Gramm-Leach-Bliley Act also permits national banks to engage in activities considered financial in nature through a financial subsidiary, subject to certain conditions and limitations and with the approval of the OCC. If the Federal Reserve Board finds that any of the Banks is not "well-capitalized" or "well-managed," the Issuer would be required to enter into an agreement with the Federal Reserve Board to comply with all applicable capital and management requirements, which may contain additional limitations or conditions relating to its activities.

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 permits bank holding companies to acquire banks located in states other than their home state without regard to state law, subject to certain conditions, including the condition that the bank holding company, after and as a result of the acquisition, controls no more than 10 per cent. of the total amount of deposits of insured depository institutions in the United States and no more than 30 per cent. or such lesser or greater amount set by state law of such deposits in that state. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Financial Reform Act**") restricts acquisitions by financial companies if, as a result of the acquisition, the total liabilities of the financial company would exceed 10 per cent. of the total liabilities of all financial companies. At December 31, 2012, the Issuer held approximately 12 per cent. of the total amount of deposits of insured depository institutions in the United States.

The Issuer is also subject to various other laws and regulations, as well as supervision and examination by other regulatory agencies, all of which directly or indirectly affect its operations and management and its ability to make distributions to stockholders. The Issuer's U.S. broker/dealer subsidiaries are subject to regulation by and supervision of the SEC, New York Stock Exchange and Financial Industry Regulatory Authority; its commodities businesses in the United States are subject to regulation by and supervision of the U.S. Commodity Futures Trading Commission ("**CFTC**"); its derivatives activity is generally subject to regulation and supervision of the CFTC and National Futures Association or the SEC, and, in the case of the Banks, certain banking regulators; and its insurance activities are subject to licensing and regulation by state insurance regulatory agencies.

The Issuer's non-U.S. businesses are also subject to extensive regulation by various non-U.S. regulators, including governments, securities exchanges, central banks and other regulatory bodies, in the jurisdictions in which those businesses operate. On 1 April 2013, the UK abolished the Financial Services Authority replacing it with two new regulators, the Prudential Regulation Authority ("**PRA**")

and the Financial Conduct Authority ("FCA"). The PRA operates as a subsidiary of the Bank of England with responsibility for prudential regulation and supervision of banks, insurers and systemically significant investment firms. The FCA regulates and supervises the market conduct of all UK financial firms and prudentially regulates those firms not within the scope of the PRA. The Issuer's financial services operations in the UK are now subject to regulation and supervision by both the PRA and FCA.

## 2. Financial Reform Act

On July 21, 2010, the Financial Reform Act was signed into law. As a result of the Financial Reform Act, several significant regulatory developments occurred in 2012, and additional regulatory developments may occur in 2013 and beyond. The Financial Reform Act has impacted, and will continue to impact the Issuer's earnings through fee reductions, higher costs and imposition of new restrictions on the Issuer. For a description of significant developments, see Regulatory Matters in the MD&A on pages 55 – 56 of the First Quarter 2013 Form 10-Q Quarterly Report and Regulatory Matters – Financial Reform Act in the MD&A on page 64 of the 2012 Form 10-K Annual Report.

## 3. Capital and Operational Requirements

As a financial services holding company, the Issuer and its banking subsidiaries are subject to the risk-based capital guidelines issued by the Federal Reserve Board and other U.S. banking regulators, including the FDIC and the OCC. These capital rules are complex and are evolving as U.S. and international regulatory authorities propose enhanced capital rules in response to the financial crisis and pursuant to legislation, including the Financial Reform Act. The Issuer seeks to manage its capital position to maintain sufficient capital to meet these regulatory guidelines and to support its business activities. These evolving capital rules are more likely to influence the Issuer's regulatory capital and the liquidity planning processes, and may impose additional operational and compliance costs on the Issuer.

For a discussion of regulatory capital rules, capital composition and pending or proposed regulatory capital changes, see Capital Management in the MD&A on pages 57 – 63 of the First Quarter 2013 Form 10-Q Quarterly Report and, Capital Management – Regulatory Capital and Capital Management – Regulatory Capital Changes in the MD&A on pages 70 and 72 of the 2012 Form 10-K Annual Report, and *Note 17 - Regulatory Requirements and Restrictions* to the Consolidated Financial Statements of the 2012 Form 10-K Annual Report.

## 4. Distributions

The Issuer is subject to various regulatory policies and requirements relating to the payment of dividends, including requirements to maintain capital above regulatory minimums. The appropriate federal regulatory authority is authorized to determine, under certain circumstances relating to the financial condition of a bank or bank holding company, that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. For instance, under proposed rules, the Issuer is required to submit to the Federal Reserve Board a capital plan as part of an annual Comprehensive Capital Analysis and Review ("CCAR"). Supervisory review of the CCAR has a stated purpose of assessing the capital planning process of major U.S. bank holding companies, including any planned capital actions such as the payment of dividends on common stock. For additional information regarding the restrictions on the Issuer's ability to receive dividends or other distributions from the Banks, see Item 1A. Risk Factors in the 2012 Form 10-K Annual Report.

In addition, the Issuer's ability to pay dividends is affected by the various minimum capital requirements and the capital and non-capital standards established under the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"). The right of the Issuer, its stockholders and its creditors to participate in any distribution of the assets or earnings of its subsidiaries is further subject to the prior claims of creditors of the respective subsidiaries.

For additional information regarding the requirements relating to the payment of dividends, including the minimum capital requirements, see Capital Management – Common and Preferred Stock Dividends on pages 64 – 65 of the First Quarter 2013 Form 10-Q Quarterly Report and *Note 12 – Shareholder's Equity* to the Consolidated Financial Statements of the First Quarter 2013 Form 10-Q Quarterly Report

and, *Note 14 - Shareholders' Equity and Note 18 - Regulatory Requirements and Restrictions* to the Consolidated Financial Statements of the 2012 Form 10-K Annual Report.

#### 5. **Source of Strength**

According to the Financial Reform Act and Federal Reserve Board policy, bank holding companies are expected to act as a source of financial strength to each subsidiary bank and to commit resources to support each such subsidiary. Similarly, under the cross-guarantee provisions of the FDICIA, in the event of a loss suffered or anticipated by the FDIC - either as a result of default of a banking subsidiary or related to FDIC assistance provided to such a subsidiary in danger of default - the affiliate banks of such a subsidiary may be assessed for the FDIC's loss, subject to certain exceptions. For additional information about the calculation of regulatory capital and capital composition, and proposed capital rules, see Capital Management Regulatory Capital in the MD&A on pages 58 – 63 of the First Quarter 2013 Quarterly Report and, Capital Management - Regulatory Capital in the MD&A on page 70 of the 2012 Form 10-K Annual Report, and *Note 17 - Regulatory Requirements and Restrictions* to the Consolidated Financial Statements of the 2012 Form 10-K Annual Report.

#### 6. **Deposit Insurance**

Deposits placed at U.S. domiciled banks (the "**U.S. Banks**") are insured by the FDIC, subject to limits and conditions of applicable law and the FDIC's regulations. Pursuant to the Financial Reform Act, FDIC insurance coverage limits were permanently increased to U.S.\$250,000 per customer. All insured depository institutions are required to pay assessments to the FDIC in order to fund the DIF.

The FDIC is required to maintain at least a designated minimum ratio of the DIF to insured deposits in the United States. The Financial Reform Act requires the FDIC to assess insured depository institutions to achieve a DIF ratio of at least 1.35 per cent. by September 30, 2020. The FDIC has adopted new regulations that establish a long-term target DIF ratio of greater than two per cent. The DIF ratio is currently below the required targets and the FDIC has adopted a restoration plan that will result in substantially higher deposit insurance assessments for all depository institutions over the coming years. Deposit insurance assessment rates are subject to change by the FDIC and will be impacted by the overall economy and the stability of the banking industry as a whole. For additional information regarding deposit insurance, see Item 1A. Risk Factors - Regulatory and Legal Risk on page 12 and Regulatory Matters - Financial Reform Act and Regulatory Matters - FDIC Deposit Insurance Assessments in the MD&A on pages 64 and 65, respectively, of the 2012 Form 10-K Annual Report.

#### 7. **Transactions with Affiliates**

The Banks are subject to restrictions under federal law that limit certain types of transactions between the Banks and their non-bank affiliates. In general, U.S. Banks are subject to quantitative and qualitative limits on extensions of credit, purchases of assets and certain other transactions involving the Issuer and its non-bank affiliates. Transactions between U.S. Banks and their non-bank affiliates are required to be on arm's length terms. For additional information regarding transactions with affiliates, see Regulatory Matters - Transactions with Affiliates in the MD&A on page 66 of the 2012 Form 10-K Annual Report.

#### 8. **Privacy and Information Security**

The Issuer is subject to many U.S. federal, state and international laws and regulations governing requirements for maintaining policies and procedures to protect the non-public confidential information of its customers. The Gramm-Leach-Bliley Act requires the Banks to periodically disclose the Issuer's privacy policies and practices relating to sharing such information and enables retail customers to opt out of the Issuer's ability to share information with unaffiliated third parties under certain circumstances. Other laws and regulations, at both the federal and state level, impact the Issuer's ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes, or to contact customers with marketing offers. The Gramm-Leach-Bliley Act also requires the Banks to implement a comprehensive information security program that includes administrative, technical, and physical safeguards to ensure the security and confidentiality of customer records and information. These security and privacy policies and procedures for the protection of personal and confidential information are in effect across all businesses and geographic locations.

## SELECTED FINANCIAL DATA

The following table contains the Issuer's selected financial data (1) as of December 31, 2012 and 2011, and for each of the years in the three years ended December 31, 2012, extracted from the Issuer's audited financial statements and (2) as of and for the three months ended March 31, 2013 and 2012, extracted from the Issuer's unaudited financial statements, which were prepared in conformity with accounting principles generally accepted in the United States. The Issuer's unaudited financial statements include all adjustments, consisting only of normal recurring accruals, that the Issuer considers necessary for a fair statement of its financial position and its results of operations as of such dates and for such periods. Results for the three months ended March 31, 2013 are not necessarily indicative of the results that might be expected for any other interim period or for the year as a whole. Certain prior period amounts have been reclassified to conform to current period classifications.

	Three months ended March 31		Year ended December 31		
	2013	2012	2012	2011	2010
(Unaudited)					
(Dollars in millions, except number of shares and per share information)					
<b>Income statement:</b>					
Interest income .....	\$14,101	\$15,461	\$57,400	\$66,236	\$75,497
Interest expense .....	3,437	4,615	16,744	21,620	23,974
Net interest income .....	10,664	10,846	40,656	44,616	51,523
Noninterest income .....	12,533	11,432	42,678	48,838	58,697
Total revenue, net of interest expense .....	23,197	22,278	83,334	93,454	110,220
Provision for credit losses .....	1,713	2,418	8,169	13,410	28,435
Noninterest expense .....	19,500	19,141	72,093	80,274	83,108
Income (loss) before income taxes .....	1,984	719	3,072	(230)	(1,323)
Income tax expense (benefit) .....	501	66	(1,116)	(1,676)	915
Net income (loss) .....	1,483	653	4,188	1,446	(2,238)
Net income (loss) applicable to common shareholders .....	1,110	328	2,760	85	(3,595)
Average common shares issued and outstanding (in thousands) .....	10,798,975	10,651,367	10,746,028	10,142,625	9,790,472
Average diluted common shares issued and outstanding (in thousands) .....	11,154,778	10,761,917	10,840,854	10,254,824	9,790,472
<b>Per common share information:</b>					
Earnings (loss) .....	\$0.10	\$0.03	\$0.26	\$0.01	\$(0.37)
Diluted earnings (loss) .....	0.10	0.03	0.25	0.01	(0.37)
Dividends paid .....	0.01	0.01	0.04	0.04	0.04

	March 31		December 31	
	2013	2012	2012	2011
(Unaudited)				
(Dollars in millions, except percentages)				
<b>Balance sheet (period-end):</b>				
Total loans and leases .....	\$911,592	\$902,294	\$907,819	\$926,200
Total assets .....	2,174,819	2,181,449	2,209,974	2,129,046
Total deposits .....	1,095,183	1,041,311	1,105,261	1,033,041
Long-term debt .....	279,641	354,912	275,585	372,265
Total shareholders' equity .....	237,293	232,499	236,956	230,101
Allowance for loan and lease losses as a percentage of total loans and leases outstanding <sup>1</sup> .....	2.49%	3.61%	2.69%	3.68%
Total ending equity to total ending assets .....	10.91%	10.66%	10.72%	10.81%
<b>Capital ratios (period-end):</b>				
Risk-based capital				
Tier 1 common capital .....	10.49%	10.78%	11.06%	9.86%
Tier 1 capital .....	12.22%	13.37%	12.89%	12.40%
Total capital .....	15.50%	17.49%	16.31%	16.75%
Tier 1 leverage .....	7.49%	7.79%	7.37%	7.53%

## Share Capital

As of 31 March 2013, the issued and outstanding common stock of BAC equalled 10,822,379,936 shares, \$0.01 par value, fully paid, which shares and additional paid in capital equalled approximately

<sup>1</sup> Outstanding loan and lease balances and ratios do not include loans accounted for under the fair value option.

\$158.2 billion. As at the date of this Base Prospectus, the authorised common stock of BAC is 12,800,000,000 shares.

As of 31 March 2013, the issued and outstanding preferred stock of BAC equalled 3,685,410 shares, \$0.01 par value, fully paid, with an aggregate liquidation preference of approximately \$18.8 billion. The authorised preferred stock of BAC is 100,000,000 shares.

### **Principal Shareholders**

BAC is a U.S. publicly-traded company. The principal market on which BAC's common stock is traded is the New York Stock Exchange. BAC's common stock is also listed on the London Stock Exchange, and certain shares are listed on the Tokyo Stock Exchange. To the extent known to BAC, no shareholder owns enough shares of BAC's common stock to directly or indirectly exercise control over BAC.

### **Dividends**

The following cash dividends per share of common stock of BAC were paid for each of the five consecutive fiscal years ended 31 December:

<b>Fiscal Year</b>	<b>Dividend per share</b>
2012	\$ 0.04
2011	\$ 0.04
2010	\$ 0.04
2009	\$ 0.04
2008	\$ 2.24

## FORM OF THE NOTES

Each Note will be represented by a Registered Global Note or a Registered Definitive Note, as the case may be, together with the attached or incorporated Terms and Conditions of the Notes and the applicable Final Terms.

The NSS form allows Notes in registered form to be issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon their issue or at any other time prior to the applicable maturity date. However, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Unless otherwise agreed to by the Issuer and the relevant Dealers, each Tranche of Notes in registered form will initially be represented by a Registered Global Note or by a Registered Definitive Note, one Registered Global Note or one Registered Definitive Note being issued in respect of each Noteholder's entire holding of Notes of one Series. Each Registered Global Note will be deposited on or prior to the issue date of the relevant Tranche of Notes with either: (a) the Common Depositary for the Relevant Clearing System, in the case of a Registered Global Note not intended to be issued under the NSS, and registered in the name of a nominee of the Common Depositary; or (b) the Common Safekeeper for the Relevant Clearing System, in the case of a Registered Global Note intended to be issued under the NSS, and registered in the name of a nominee of the Common Safekeeper. Beneficial interests in a Registered Global Note will be exchangeable for Registered Definitive Notes only in the limited circumstances described under "Terms and Conditions of the Notes".

Until exchanged in full for Notes in definitive form, the holder of an interest in any Registered Global Note shall be entitled to all of the same benefits as the holder of Notes, except as set out in the applicable Terms and Conditions.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes and are referred to as the "Terms and Conditions" or the "Conditions" and each, a "Condition". The Terms and Conditions are incorporated by reference into each Registered Global Note (as defined below) and will be attached to or endorsed upon each Registered Definitive Note (as defined below), if any are issued. The applicable Final Terms in relation to any Tranche of Notes (as defined below) may specify other terms and conditions, which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Registered Global Note and Registered Definitive Note. The applicable Final Terms in relation to any Tranche of Notes contains additional terms and conditions which will complete the Notes and is deemed to be incorporated by reference into such Notes.*

This Note is one of a series of Notes issued by Bank of America Corporation (the "**Issuer**"), pursuant to the Amended and Restated Agency Agreement dated as of May 20, 2013, as amended, restated and/or supplemented from time to time (the "**Agency Agreement**"), by and among the Issuer, Bank of America, N.A. (operating through its London Branch), as principal agent (the "**Principal Agent**") and Merrill Lynch International Bank Limited, as registrar (the "**Registrar**") and transfer agent (the "**Transfer Agent**"), which terms shall include any successor agents. Any other paying agents named pursuant to the Agency Agreement shall be referred to herein, together with the Principal Agent, as the "**Paying Agents**" (which term shall include any additional or successor paying agents) and any other transfer agents named pursuant to the Agency Agreement shall be referred to herein, together with the Transfer Agent, as the "**Transfer Agents**" (which term shall include any additional or successor transfer agents). References herein to the "**Notes**" shall be references to Notes of this Series (as defined below) and shall mean (1) in relation to any Registered Global Notes, units of the lowest denomination of such Notes (the "**Specified Denomination**") payable in one or more currencies (each, a "**Specified Currency**") and (2) Registered Definitive Notes, if any, issued in exchange for a Registered Global Note, and (3) any Registered Global Note. The Notes have the benefit of the Agency Agreement. Each Note will be the obligation of the Issuer only and will not be an obligation of, or guaranteed by, any subsidiaries or affiliates of the Issuer.

Unless otherwise agreed by the Issuer and the relevant dealers (each, a "**Dealer**" and together, the "**Dealers**"), and specified in the applicable Final Terms, each tranche of Notes ("**Tranche of Notes**") will be issued in registered form and will initially be represented by a registered note in global form (a "**Registered Global Note**") or by a registered note in definitive form (a "**Registered Definitive Note**") substantially in the forms of Schedule 1 or Schedule 2 to the Agency Agreement, respectively, one Registered Global Note or one Registered Definitive Note being issued in respect of each Noteholder's entire holding of Registered Global Notes or Registered Definitive Notes of one Series (as defined herein).

Any reference herein to "**Noteholders**" shall mean the holders of the Notes, and, in relation to any Notes represented by a Registered Global Note, shall be construed as provided below.

Except as otherwise provided in the applicable Final Terms, interests in a Registered Global Note will be exchangeable for Registered Definitive Notes if (1) an Event of Default (as defined herein) occurs and is continuing, (2) the Issuer is notified that Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or any other clearing system located outside the United States and its possessions, specified by the Issuer and the Dealers (each, an "**Alternative Clearing System**" and each of Euroclear, Clearstream, Luxembourg and any Alternative Clearing System being a "**Relevant Clearing System**") has been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory requirement, or otherwise) after the original issuance of the Notes or has announced an intention permanently to cease business or has in fact done so and no Alternative Clearing System approved by the Noteholders is available, or (3) the Issuer, after notice to the Principal Agent, determines to issue the Notes in definitive form. Each such exchange shall occur in whole, but not in part, for Registered Definitive Notes, in the applicable Specified Denomination, representing the full principal amount of the applicable Registered Global Note.

The Final Terms for the Notes are attached hereto or endorsed hereon and complete these Terms and Conditions. References herein to the "**applicable Final Terms**" are to the relevant Final Terms attached hereto or endorsed hereon.

As used herein, "**Series**" means a Tranche of Notes, together with any further Tranche or Tranches of Notes, which are (1) expressly to be consolidated and form a single series and (2) identical in all respects (including as to listing) except for the date on which such Notes will be issued (the "**Issue Date**"), for interest-bearing Notes, the date from which such Notes bear interest (the "**Interest Commencement Date**"), which will be the Issue Date unless otherwise specified in the applicable Final Terms, and the price (expressed as a percentage of the principal amount of the Notes) at which such Notes will be issued (the "**Issue Price**"). The expressions "**Notes of the relevant Series**" and "**holders of Notes of the relevant Series**" and related expressions shall be construed accordingly. As used herein, "**Tranche**" means Notes (whether in global form or definitive form) which are identical in all respects (including as to listing).

Copies of the Amended and Restated Program Agreement, dated as of May 20, 2013, among the Issuer and the Dealers named therein or appointed thereunder (as may be amended, restated and/or supplemented from time to time, the "**Program Agreement**"), and the Final Terms applicable to the Notes are available for inspection without charge at, and copies may be obtained from, the specified offices of each of the Principal Agent and each Paying Agent, the Registrar and each Transfer Agent, except that the applicable Final Terms relating to an unlisted Note only will be available for inspection by a Noteholder upon proof satisfactory to the relevant Paying Agent as to ownership of the Note. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are binding on them.

The calculation agent in respect of the Notes (the "**Calculation Agent**") will be specified in the applicable Final Terms.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

#### 1. **Form, Denomination, and Title**

The Notes are issued in registered form. Notes in definitive form, if any, are serially numbered, in the Specified Currency and the Specified Denominations as indicated in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination, or subdivided or reissued in a smaller denomination.

This Note may be a Note bearing interest on a fixed-rate basis (a "**Fixed-Rate Note**"), a Note bearing interest on a floating-rate basis (a "**Floating-Rate Note**"), a Note bearing interest from a fixed rate to a floating rate or from a floating rate to a fixed rate (a "**Fixed/Floating-Rate Note**"), a range accrual note (a "**Range Accrual Note**"), an inverse floating-rate note (an "**Inverse Floating-Rate Note**"), or a Note issued on a non-interest-bearing basis and offered and sold at a discount (other than a *de minimis* discount) to its principal amount or at par and to which the Zero Coupon Note provisions are expressed to be applicable (a "**Zero Coupon Note**"), depending upon the Interest Basis specified in the applicable Final Terms.

This Note is either a Senior Note (as defined herein) or a Subordinated Note (as defined herein), as specified in the applicable Final Terms.

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

So long as any of the Notes are represented by a Registered Global Note held on behalf of the Relevant Clearing System, each person who is shown in the records of the Relevant Clearing System as the holder of a particular nominal amount of such Notes (any certificate or other document issued by the Relevant Clearing System as to the nominal amount of Notes standing on the account of any person shall be conclusive and binding for all purposes, except in the case of manifest error) shall be treated by the Issuer, the Principal Agent, the Registrar, the Transfer Agent, and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes, except with respect to the payment of principal, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, the

Notes, the person or persons for the time being shown in the Register as at the Record Date maintained by the Registrar as the Noteholder or Noteholders, shall be treated by the Issuer, the Principal Agent, and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Registered Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Interests in Notes which are represented by a Registered Global Note will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

The Issuer will issue Notes in the Specified Denomination(s) set forth in the applicable Final Terms. However, the minimum denomination permitted for each Note will be such denomination as may be allowed or required by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency.

Unless permitted by then current laws and regulations, any Notes (including Notes denominated in Sterling) for which the proceeds are to be accepted by the Issuer in the United Kingdom and which have a maturity of less than one year from their date of issue shall (a) be issued to a limited class of professional investors, (b) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than Sterling), and (c) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or an equivalent amount in other currencies).

## 2. **Exchange and Transfers of Notes**

### (a) ***Exchange of Notes***

In the case of an exchange of a Registered Global Note for one or more Registered Definitive Notes, the Registrar will reflect any such exchange on the Register and one or more new Registered Definitive Notes will be issued to the designated transferee or transferees.

### (b) ***Transfer of Notes***

Notes may be transferred upon the surrender (at the specified office of the Registrar or the Transfer Agent) of the Registered Global Note or Registered Definitive Note, as applicable, to be transferred together with the form of transfer endorsed on such Registered Global Note or Registered Definitive Note, as applicable, duly completed and executed by the person shown as the registered holder on the Register, or its attorney duly authorized in writing, and such other evidence as the Registrar or the Transfer Agent may reasonably require. The Registrar will reflect any such transfer on the Register in respect of the holding being transferred. In the case of the transfer of all of a holding of Notes represented by one Registered Global Note or Registered Definitive Note, as applicable, the Registrar will cancel the Registered Global Note or Registered Definitive Note, as applicable, surrendered by the transferor, and one new Registered Global Note or Registered Definitive Note, as applicable, will be issued to the designated transferee (following the transferee's surrender of any existing Registered Global Note or Registered Definitive Note, as applicable, in respect of Notes of that Series). In the case of a transfer of part only of a holding of Notes represented by one Registered Definitive Note, a new Registered Definitive Note will be issued to the designated transferee (following the transferee's surrender of any existing Registered Definitive Note in respect of Notes of that Series) and a further new Registered Definitive Note in respect of the balance of the holding not transferred shall be issued to the transferor. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of the Relevant Clearing System.

### (c) ***Exercise of Options or Partial Redemption in Respect of Notes***

In the case of an exercise of the Issuer's or a Noteholder's option in respect of, or a partial redemption of, a holding of Notes represented by Registered Global Note, the Registrar shall make such entries in the Register to reflect the exercise of such option or in respect of the balance of the holding not redeemed.

In the case of an exercise of the Issuer's or a Noteholder's option in respect of, or a partial redemption of, a holding of Notes represented by a single Registered Definitive Note, a new Registered Definitive Note shall be issued to the Noteholder to reflect the exercise of such

option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Registered Definitive Notes shall be issued in respect of those Notes of that holding that have the same terms. New Registered Definitive Notes shall only be issued against surrender of the existing certificates to the Registrar or the Transfer Agent. In the case of a transfer of Registered Definitive Notes to a person who is already a holder of Notes, a new Registered Definitive Note representing the enlarged holding shall only be issued against surrender of the Registered Definitive Note representing the existing holding.

(d) ***Delivery of New Notes***

Each Registered Global Note or Registered Definitive Note, as applicable, to be issued pursuant to Condition 2(a), 2(b) or 2(c) shall be available for delivery within three business days after receipt of the request for exchange, form of transfer, in the case of a Registered Definitive Note, Put Notice (as defined herein), or surrender of the Registered Global Note or Registered Definitive Note, as applicable, for exchange or transfer, as applicable. Delivery of the new Registered Global Note or Registered Definitive Note, as applicable, shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, in the case of a Registered Definitive Note, Put Notice, or Registered Global Note or Registered Definitive Note, as applicable, shall have been made or, at the option of the Noteholder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, in the case of a Registered Definitive Note, Put Notice, or otherwise in writing, be mailed by uninsured mail at the risk of the Noteholder entitled to the new Registered Global Note or Registered Definitive Note, as applicable, to such address as may be so specified, unless such Noteholder requests otherwise and pays in advance to the Transfer Agent or Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the location of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) ***Exchange or Transfer Free of Charge***

Exchange and transfer of Notes on registration, transfer, partial redemption, or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar, or the Transfer Agent, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the Transfer Agent may require).

(f) ***Closed Periods***

No Noteholder may require the transfer of a Note to be registered (i) during the period commencing on the Record Date and ending on the due date for redemption of, or payment of any installment amount, or amount of interest, in respect of, that Note, (ii) during the period commencing on the Record Date and ending on the date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption, (iv) during the period commencing on the Record Date and ending on the date fixed for any meeting of Noteholders, or any adjourned meeting of Noteholders, or (v) during the period of seven calendar days ending on (and including) any Record Date.

"**Record Date**" means (i) in respect of any Registered Definitive Notes, the close of business (London time) on the 15th calendar day and (ii) in respect of any Registered Global Notes, the close of business on the Relevant Clearing System Business Day, in each case, prior to the applicable due date for redemption of a Note, or the payment of any installment amount or amount of interest in respect of a Note, or the date fixed for any meeting, or adjourned meeting, of holders of Notes, where "**Relevant Clearing System Business Day**" means a day on which the Relevant Clearing System is open for business.

3. **Status of the Senior Notes and the Subordinated Notes**

The Notes may be issued in one or more Series as unsecured debt securities, which may be either senior notes ("**Senior Notes**") or subordinated notes ("**Subordinated Notes**"). The Notes are not deposits and are not insured by the U.S. Federal Deposit Insurance Corporation (the "**FDIC**"), the Deposit Insurance Fund or any other insurer or governmental agency or instrumentality.

Under the Program, there is no limitation on the Issuer's ability to issue additional Senior Indebtedness (as defined below) or Subordinated Notes.

(a) ***Status of Senior Notes***

The Senior Notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally with all other unsubordinated and unsecured indebtedness of the Issuer. The Subordinated Notes are unsecured and subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Issuer.

"**Senior Indebtedness**" is defined as any indebtedness for money borrowed (including all indebtedness of the Issuer for borrowed and purchased money of the Issuer, all obligations arising from off-balance sheet guarantees by the Issuer and direct credit substitutes and obligations of the Issuer associated with derivative products such as interest and foreign exchange rate contracts and commodity contracts) that is outstanding on the date of execution of the Agency Agreement, or is thereafter created, incurred, or assumed, for which the Issuer is at the time of determination responsible or liable as obligor, guarantor, or otherwise for payment, and all deferrals, renewals, extensions, and refundings of any such indebtedness or obligations, other than the Subordinated Notes or any other indebtedness as to which the instrument creating or evidencing the same or pursuant to which the same is outstanding, provides that such indebtedness is subordinate in right of payment to any other indebtedness of the Issuer.

(b) ***Status of Subordinated Notes***

The indebtedness evidenced by the Subordinated Notes, subject to the extent set forth herein, shall be subordinated in right of payment to the prior payment in full of all the Issuer's Senior Indebtedness. Senior Indebtedness shall continue to be Senior Indebtedness and shall be entitled to the benefits of such subordination irrespective of any amendment, modification, or waiver of any term of the Senior Indebtedness. There is no right of acceleration in the case of a default in the payment of interest on the Subordinated Notes or in the performance of any other obligation of the Issuer under the Subordinated Notes.

The Issuer shall not make any payment on account of principal of, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, its Subordinated Notes or purchase any of its Subordinated Notes, either directly or indirectly, if (i) any default or Event of Default with respect to any of its Senior Indebtedness shall have occurred and be continuing and (ii) it shall have received written notice thereof from the holders of at least 10.00 per cent. in principal amount of any kind or category of any of its Senior Indebtedness (or the representative or representatives of such holders).

Until all of the Issuer's Senior Indebtedness is paid in full, the holders of the Subordinated Notes will be subrogated (equally and ratably with the holders of all of the Issuer's indebtedness which, by its express terms, ranks equally with its Subordinated Notes, and is entitled to like rights of subrogation) to the rights of the holders of the Issuer's Senior Indebtedness to receive payments or distributions of its assets.

If the Issuer repays any of its Subordinated Notes before the required date or in connection with a distribution of its assets to creditors pursuant to a dissolution, winding up, liquidation, or reorganization, any principal, premium, if any, interest, or any other amounts payable or deliveries due will be paid or delivered to the holders of the Issuer's Senior Indebtedness before any holders of its Subordinated Notes are paid. In addition, if such amounts were previously paid to the holders of the Subordinated Notes, the holders of its Senior Indebtedness shall have first rights to such amounts previously paid.

No modification or amendment of the subordination provisions of Subordinated Notes and any related coupons in a manner adverse to the holders of Senior Indebtedness may be made without the consent of the holders of all of the Issuer's outstanding Senior Indebtedness.

4. **Interest**

(a) ***Interest on Fixed-Rate Notes***

(i) ***Fixed Interest Periods and Fixed Interest Payment Dates***

Each Fixed-Rate Note bears interest on its outstanding nominal amount at the rate or rates per annum specified in the applicable Final Terms from (and including) the Interest Commencement Date to (but excluding) the Maturity Date. Interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms (each, a "**Fixed Interest Payment Date**") and on the Maturity Date if it does not fall on a Fixed Interest Payment Date. The first interest payment will, subject to Condition 6 and Condition 10, be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

If any Fixed Interest Payment Date is not a Payment Business Day (as defined in Condition 5(b)), then interest on a Fixed-Rate Note shall be paid as provided in Condition 5(b).

If a "**Fixed Coupon Amount**" is specified in the applicable Final Terms, the amount of interest payable on each Fixed Interest Payment Date in respect of the Fixed Interest Period (as defined below) ending on (but excluding) such date will be the Fixed Coupon Amount as specified irrespective of any calculation based on the applicable Rate of Interest (as defined in Condition 4(f)) and any applicable Fixed Day Count Fraction (as defined below) (if any) and if the amount of interest payable on any Fixed Interest Payment Date is specified as an amount other than the Fixed Coupon Amount, such amount will be a "Broken Amount" specified in the applicable Final Terms.

As used in these Conditions, "**Fixed Interest Period**" means the period from, and including, the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to, but excluding, the next (or first) Fixed Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, that interest shall be calculated by applying the Rate of Interest specified in the applicable Final Terms to each Specified Denomination, multiplying that product by the applicable Fixed Day Count Fraction and rounding the resulting figure to the nearest Sub-unit (as defined below) of the relevant Specified Currency, half of any such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Fixed Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (A) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
- (1) for Notes where the Accrual Period (as defined below) is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates ("**Determination Dates**"), as specified in the applicable Final Terms, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; or
  - (2) for Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

- (a) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates, as specified in the applicable Final Terms, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
- (b) the number of days in such Accrual Period falling in the next Determination Period divided by the product of
  - (x) the number of days in such Determination Period; and
  - (y) the number of Determination Dates that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
- (B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Accrual Period divided by 365; and
- (C) if "30/360" is specified in the applicable Final Terms, the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the

Accrual Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

"**Accrual Period**" means the period from (and including) the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant Fixed Interest Payment Date.

"**Determination Period**" means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**Sub-unit**" means, for euro and U.S. Dollars, one cent and, for any currency other than euro, the lowest amount of that currency that is available as legal tender in the country of that currency.

(ii) *Fixed-Rate Notes with a Step Up*

"**Fixed Period End Date**" means each date specified in the applicable Final Terms.

In respect of a Fixed-Rate Note with a step up in the rate of interest, the Rate of Interest in respect of each Fixed Interest Period means the "Rate of Interest (Step Up)" specified to be applicable in respect of a Fixed Interest Period End Date on which the Fixed Interest Period ends, as set forth in the applicable Final Terms.

(b) *Interest on Floating-Rate Notes, Range Accrual Notes and Inverse-Floating-Rate Notes*

(i) *Interest Periods and Interest Payment Dates*

Each Floating-Rate Note, Range Accrual Note and Inverse Floating-Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date specified in the applicable Final Terms. Interest will be payable in arrear on the "**Interest Payment Date(s)**", which shall mean either:

- (A) the specified Interest Payment Dates in each year specified in the applicable Final Terms; or
- (B) if no dates for the payment of interest are specified in the applicable Final Terms, each date which falls the number of months or other period specified in the applicable Final Terms after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

Interest will be payable in respect of each "**Interest Period**" (which expression shall mean, in these Terms and Conditions, the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next Interest Payment Date, or the first Interest Payment Date, as the case may be).

If "Unadjusted" is specified in the applicable Final Terms with respect to any Interest Payment Date, if such Interest Payment Date is not a Payment Business Day (as defined in Condition 5(b)), then such Interest Payment Date will not be adjusted in accordance with any Business Day Convention (and, consequently, the relevant Interest Period will not be adjusted) and interest on a Floating-Rate Note, Range Accrual Note or Inverse Floating-Rate Note, as applicable shall be paid as provided in Condition 5(b).

If (i) there is no numerically corresponding day in the calendar month during which an Interest Payment Date should occur or (ii) "Adjusted" is specified in the applicable Final Terms with respect to any Interest Payment Date and such Interest Payment Date falls on a day which is not a Business Day, the applicable Interest Payment Date will be adjusted in accordance with the business day convention (each a "**Business Day Convention**") specified in the applicable Final Terms. If the Business Day Convention specified is:

- (1) the "**Floating-Rate Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day. If postponement would cause such date to fall in the next calendar month, then (aa) such date shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date (or other date) occurred; or
- (2) the "**Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or

- (3) the "**Modified Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day, unless that date would fall in the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or
- (4) the "**Preceding Business Day Convention**", such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

"**Business Day**" means a day which is both:

- (A) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and New York City and any additional business centers specified in the applicable Final Terms (each, an "**Additional Business Center**"); and
- (B) (1) for any sum payable in a Specified Currency other than euro or CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center(s) (the "**Principal Financial Center(s)**") of the country of the relevant Specified Currency (if other than London), (2) for any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is operating or (3) for any sum payable in CNY, unless otherwise specified in the applicable Final Terms, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Currency Settlement Center.

Unless otherwise provided in the applicable Final Terms, the Principal Financial Center of any Specified Currency for the purpose of these Terms and Conditions shall be the relevant financial center (if any) specified for the relevant Specified Currency in section 1.5 or section 1.6 of the ISDA Definitions, except that the Principal Financial Centers for Australian Dollars shall be Melbourne and Sydney, the Principal Financial Center for Canadian Dollars shall be Toronto, and the Principal Financial Center for New Zealand Dollars shall be Wellington.

The term "**ISDA Definitions**" means the 2006 ISDA Definitions (as published by ISDA) and as amended, updated, or replaced as at the Issue Date of the first Tranche of the Notes of the relevant Series.

(c) **Rate of Interest:**

(i) **Definitions**

For the purposes of these Conditions:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits in the Relevant Financial Center).

"**Constant Maturity Swap**" means the swap rate.

"**EC Treaty**" means the Treaty establishing the European Community, as amended from time to time.

"**EURIBOR**" means the Euro-Zone inter-bank offered rate for deposits in euro.

"**Euro-Zone**" means the region comprised of member states of the European Union that have adopted the euro as the single currency in accordance with the EC Treaty.

**"Interest Determination Date"** means, in respect of each Interest Period, either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) if no date is so specified, the day falling on the number of Banking Days specified in the applicable Final Terms prior to the start of such Interest Period.

**"LIBOR"** means the London inter-bank offered rate for deposits in a specified currency.

**"Reference Banks"** means, in the case of Condition 4(c)(ii)(B)(1) below, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and in the case of Condition 4(c)(ii)(B)(2) below, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

**"Reference Rate"** means the EURIBOR, LIBOR or Constant Maturity Swap rate specified in the applicable Final Terms and determined in accordance with these Conditions.

**"Relevant Financial Center"** means the financial center specified as such in the applicable Final Terms or, if none is so specified, the principal financial center with which the relevant Reference Rate is most closely connected (which, if the Specified Currency is sterling, shall be London, or, if the Specified Currency is euro, shall be the Euro-Zone).

**"Relevant Screen Page"** means the Bloomberg or Reuters screen page specified as such in the applicable Final Terms.

**"Relevant Time"** means either: (A) the time specified in the applicable Final Terms; or (B) in the case of LIBOR or EURIBOR, 11.00 a.m.

(ii) ***Floating-Rate Notes***

The Rate of Interest payable on Floating-Rate Notes will be set forth in the applicable Final Terms.

(A) ISDA Determination for Floating-Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the margin (the "**Margin**"), if any. For purposes of this sub-paragraph (A), the "**ISDA Rate**" for an Interest Period means a rate determined by the Principal Agent or such other person specified in the applicable Final Terms that is equal to the Floating Rate under an interest rate swap transaction if the Principal Agent or such other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the relevant Interest Commencement Date is the Effective Date;
- (3) the Designated Maturity is a period specified in the applicable Final Terms;
- (4) the relevant Reset Date is either (aa) the first day of that Interest Period, if the applicable Floating-Rate Option is based on LIBOR or EURIBOR for a currency, or (bb) in any other case, as specified in the applicable Final Terms or, if no such date is specified, the first day of that Interest Period; and

- (5) where "Floating Rate Option Fallback Amendment" is specified to be applicable in the applicable Final Terms, notwithstanding anything to the contrary set out in the Floating Rate Option under the ISDA Definitions, if the same does not appear on such page (or the relevant replacement page) at such time as specified in the Floating Rate Option, or such page (or the relevant replacement page) should not be available at such time on such day, the Calculation Agent will in its sole and absolute discretion, determine the rate (or a method for determining the rate) for such Reset Date, taking into consideration all available information that in good faith it deems relevant. The fallback provision in the Floating Rate Option shall be deemed to be amended accordingly.

For purposes of this sub-paragraph (A), "**Euro-Zone**" has the meaning set forth above and "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Effective Date**", "**Designated Maturity**", and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating-Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be, subject as provided below, either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page specified in the applicable Final Terms); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page),

(in each case expressed as a percentage rate per annum) for the Reference Rate or Reference Rates for the Specified Maturity and the Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page at the Relevant Time in the Relevant Financial Center on the Interest Determination Date plus or minus (as indicated in the applicable Final Terms) the Margin, if any, all as determined by the Calculation Agent.

In the case of a rate determined pursuant to paragraph (2) above, if five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, only one of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Calculation Agent for purposes of determining the arithmetic mean of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent, at its sole discretion, shall request the principal London office of each of the Reference Banks (as defined herein) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate for the Specified Maturity and the Specified Currency at or about the Relevant Time in the Relevant Financial Center on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin, if any, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by any two or more of the Reference Banks, at which such banks were offered, at or about the Relevant Time in the Relevant Financial Center on the relevant Interest Determination Date, for deposits in the Specified Currency for the relevant Interest Period by leading banks in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate for the Specified Maturity and the Specified Currency, plus or minus (as appropriate) the Margin, if any. If fewer than two of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest shall be the offered quotation for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered quotations for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately or about the Relevant Time on the relevant Interest Determination Date, any one or more banks informs the Calculation Agent it is quoting to leading banks in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate for the Specified Maturity and the Specified Currency, plus or minus (as appropriate) the Margin, if any, provided that if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest for the relevant Interest Period shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(C) Floating-Rate Notes with a Step Up

In respect of a Floating-Rate Note with a step up in the Rate of Interest, the Margin in respect of each Interest Period means the Margin (Step Up) specified to be applicable in respect of an Interest Period End Date on which the Interest Period is scheduled to end, as set forth in the applicable Final Terms.

**"Interest Period End Date"** means each date specified in the applicable Final Terms.

(iii) ***Fixed/Floating-Rate Notes***

In respect of Fixed/Floating-Rate Notes, the Rate of Interest payable will be:

- (A) for each Fixed Interest Period or Interest Period, as applicable, ending on or prior to the relevant Rate Change Date (and prior to exercise of the Issuer Rate Change Option, if applicable, in respect of such Rate Change Date), the Initial Rate of Interest; and
- (B) for each Fixed Interest Period or Interest Period, as applicable, commencing on or after the relevant Rate Change Date (and following the exercise of the Issuer Rate Change Option, if applicable, in respect of such Rate Change Date), the Subsequent Rate of Interest.

**"Initial Rate of Interest"** means (A) if the Initial Rate of Interest is a fixed rate, the rate determined in accordance with Condition 4(a) and the "Fixed-Rate Note Provisions" in the applicable Final Terms; or (B) if the Initial Rate of Interest is a floating rate, the rate determined in accordance with Condition 4(b) and 4(c) and the "Floating-Rate Note Provisions" in the applicable Final Terms.

**"Subsequent Rate of Interest"** means (A) if the Subsequent Rate of Interest is a fixed rate, the rate determined in accordance with Condition 4(a) and the "Fixed-Rate Note Provisions" in the applicable Final Terms; or (B) if the Subsequent Rate of Interest is a floating rate, the rate determined in accordance with Condition 4(b) and 4(c) and the "Floating-Rate Note Provisions" in the applicable Final Terms.

**"Rate Change Date"** means the Fixed Interest Period End Date or the Interest Period End Date specified in the applicable Final Terms.

If **"Issuer Rate Change Option"** is specified as applicable in the applicable Final Terms, the Issuer has the option to change the Rate of Interest from the Initial Rate of Interest to the Subsequent Rate of Interest on the Rate Change Date upon giving no less than 10 Business Days' notice prior to the Rate Change Date to the Noteholders in accordance with Condition 13. If this option is exercised, the Subsequent Rate of Interest will be payable from, and including, the Rate Change Date up to, but excluding, the Maturity Date and the Initial Rate of Interest will cease to be payable.

For the avoidance of doubt, (A) where no Issuer Rate Change Option is specified as applicable in the applicable Final Terms, the Rate of Interest in respect of each Fixed Interest Period or Interest Period, as applicable, from, and including, the Rate Change Date shall be the Subsequent Rate of Interest, and (B) if the Issuer Rate Change Option is not exercised, then the Rate of Interest in respect of each Fixed Interest Period or Interest Period, as applicable, shall be the Initial Rate of Interest.

(iv) ***Range Accrual Notes***

In respect of Range Accrual Notes, the Rate of Interest payable for each Interest Period will be the product of:

- (A) the Specified Fixed Rate; and
- (B) the Relevant Fraction in respect of such Interest Period.

**"Calculation Day"** means, in respect of each Interest Period, each calendar day falling within such Interest Period.

**"Cap"** means, in respect of a Relevant Rate, the per annum rate specified in the applicable Final Terms.

**"Common Valid Date"** means each day that is a Business Day in each Relevant Financial Center.

**"Floor"** means, in respect of a Relevant Rate, the per annum rate specified in the applicable Final Terms.

**"N1"** means, in respect of an Interest Period, the number of Calculation Days during such Interest Period for which, in respect of a Single Range Accrual Note, the Relevant Rate, and, in respect of a Dual Range Accrual Note, each applicable Relevant Rate is (a) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the applicable Floor (as determined by the Calculation Agent); or (b) if specified in the applicable Final Terms that "greater than" shall apply, greater than the applicable Floor (as determined by the Calculation Agent); and (x) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the applicable Cap (as determined by the Calculation Agent); or (y) if specified in the applicable Final Terms that "less than" shall apply, less than the applicable Cap (as determined by the Calculation Agent) (the **"Range Conditions"**);

**"N2"** means, in respect of each Interest Period, the number of Calculation Days during such Interest Period, as determined by the Calculation Agent.

**"Rate"** means, in respect of a Reference Rate specified in the applicable Final Terms, either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page),

(in each case expressed as a percentage rate per annum) for the Reference Rate for the Specified Maturity and Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page on which such Reference Rate is for the time being displayed at the Relevant Time in the Relevant Financial Center on such Calculation Day. If such rate does not appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Center on such Calculation Day, the Calculation Agent will in its sole and absolute discretion, determine such rate (or a method for determining such rate) for such Calculation Day, taking into consideration all available information and acting in good faith and in a commercially reasonable manner;

provided that: (i) in respect of a Single Range Accrual Note (as specified in the applicable Final Terms), (A) subject to proviso (B) below, if any Calculation Day is not a Business Day in the Relevant Financial Center, the rate for such Calculation Day shall be determined in respect of the immediately preceding Business Day in the Relevant Financial Center; and (B) in respect of each Interest Period, the Relevant Rate in respect of each Calculation Day from, and including, the seventh Business Day in the Relevant Financial Center (such date being the "**Rate Cut-off Date**" for such Interest Period) prior to the Interest Payment Date falling immediately after the end of such Interest Period to, and including, the last Calculation Day of such Interest Period, shall be deemed to be the rate in respect of the Rate Cut-off Date; and (ii) in respect of a Dual Range Accrual Note (as specified in the applicable Final Terms), (A) subject to proviso (B) below, if any Calculation Day is not a Common Valid Date, the rate in respect of a Reference Rate for such Calculation Day shall be determined in respect of the immediately preceding Business Day in the Relevant Financial Center for such Reference Rate; and (B) in respect of each Interest Period, the Relevant Rate in respect of each Calculation Day from, and including, the seventh Common Valid Date (such date being the "**Rate Cut-off Date**" for such Interest Period) prior to the Interest Payment Date falling immediately after the end of such Interest Period to, and including, the last Calculation Day of such Interest Period, shall be deemed to be the rate for such Reference Rate in respect of the Rate Cut-off Date.

"**Relevant Rate**" means either:

- (a) where Single Range Accrual Note is specified to be applicable in the Final Terms, the Rate specified in the Final Terms; or
- (b) where Dual Range Accrual Note is specified to be applicable in the Final Terms, each Rate specified in the Final Terms.

"**Relevant Fraction**" means, in respect of each Interest Period, an amount calculated by the Calculation Agent in accordance with the following formula:

$$\frac{N1}{N2}$$

"**Specified Fixed Rate**" means the per annum rate specified in the applicable Final Terms.

(v) ***Inverse Floating-Rate Notes***

In respect of Inverse Floating-Rate Notes, the Rate of Interest payable for each Interest Period will be calculated in accordance with the following:

- (i) the Specified Fixed Rate; less
- (ii) the Relevant Rate.

**"Specified Fixed Rate"** means, in respect of each Interest Period, the rate specified to be applicable in respect of the Interest Period End Date on which the Interest Period ends, as set forth in the applicable Final Terms.

**"Relevant Rate"** means either:

- (1) the offered quotation (if there is only one quotation the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page),

(in each case expressed as a percentage rate per annum) for the Reference Rate for the Specified Maturity and the Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page on which such Reference Rate is for the time being displayed at the Relevant Time in the Relevant Financial Center on each Interest Determination Date all as determined by the Calculation Agent. If such rate does not appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the Calculation Agent will in its sole and absolute discretion, determine such rate (or method for determining such rate) for such Interest Determination Date, taking into consideration all available information and acting in good faith and in a commercially reasonable manner.

(d) ***Determination of Rate of Interest and Calculation of Interest Amounts***

The Calculation Agent, at or as soon as practicable after each time at which the Rate of Interest payable on a Floating-Rate Note, Fixed/Floating-Rate Note, Range Accrual Note or an Inverse Floating-Rate Note (each of a Specified Denomination) is to be determined, will determine the Rate of Interest (subject to any specified Minimum Interest Rate (as defined herein) or Maximum Interest Rate (as defined herein)) and calculate the amount of interest (the **"Interest Amount"**) payable on such Note for the relevant Interest Period. The Interest Amount for the relevant Interest Period shall be calculated (unless the Interest Amount is specified in the applicable Final Terms, in which case the Interest Amount shall be such amount) by applying the Rate of Interest for such Interest Period to the Specified Denomination of such Note, multiplying such sum by the applicable Day Count Fraction (as defined herein) and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The Calculation Agent's determination of the Rate of Interest and calculation of each Interest Amount shall be conclusive and binding on all parties in the absence of manifest error.

**"Day Count Fraction"** shall have the meaning ascribed to "Day Count Fraction" in the ISDA Definitions; provided, however, if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the Day Count Fraction shall be the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.

(e) ***Notification of Rate of Interest and Interest Amount***

The Calculation Agent will notify the Issuer and any stock exchange on which the Notes (other than Fixed-Rate Notes, Zero Coupon Notes, and non-interest-bearing Notes) are listed (if the rules of such stock exchange so require) of the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date as soon as reasonably practicable after the relevant determination or calculation. The Calculation Agent also shall publish such notice in accordance with Condition 13 as soon as possible after any determination, but in no event later than the fourth London Business Day thereafter. In connection with any such Notes listed on the Luxembourg Stock Exchange, the Calculation Agent will notify the exchange of the Rate of Interest, the Interest Payment Date, and each Interest Amount no later than the first day of the commencement of each new Interest Period. Both the Interest Amount and Interest Payment Dates subsequently may be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension

or shortening of the Interest Period in accordance with the provisions hereof. Each stock exchange on which such Notes are listed will be notified promptly of any amendment in accordance with Condition 13. For purposes of this Condition 4(e), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London.

(f) ***Certificates to Be Final***

All certificates, communications, opinions, determinations, calculations, quotations, and decisions given, expressed, made, or obtained for the purposes of the provisions of this Condition 4, by the Calculation Agent shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Calculation Agent, the Paying Agents, and all Noteholders and (in the absence of the aforesaid) the Calculation Agent shall not be liable to the Issuer or the Noteholders in connection with the exercise by it of its powers, duties, and discretions pursuant to such provisions.

(g) ***Zero Coupon Notes***

If a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortized Face Amount (as defined in Condition 6(e)) of such Note as determined in accordance with Condition 6(e)(iii). From the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the accrual yield, if any, in respect of such Notes (the "**Accrual Yield**") (expressed as a percentage per annum) set forth in the applicable Final Terms.

(h) ***Accrual of Interest***

Each Note (or in the case of the redemption of only part of a Note, only that part of such Note) will cease to bear interest, if any, from the date for its redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue, before or after judgment, until the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; or
- (ii) five calendar days after the date on which the Principal Agent has received the full amount of the monies payable and notice to that effect has been given in accordance with Condition 13 or individually.

(i) ***Rate of Interest***

As used in these Conditions, "**Rate of Interest**" means the rate, or each rate, of interest in respect of each interest bearing Note determined in accordance with the applicable provisions of this Condition 4 and the manner specified in the applicable Final Terms.

(j) ***Limitations on Interest***

The applicable Final Terms may specify a minimum rate at which the Notes bear interest (a "**Minimum Interest Rate**"). If the Rate of Interest determined in accordance with the provisions of this Condition 4 is less than the specified Minimum Interest Rate, the Rate of Interest shall be such Minimum Interest Rate. Subject to the provisions of the next paragraph, the applicable Final Terms may specify a Maximum Interest Rate. If the Rate of Interest determined in accordance with the provisions of this Condition 4 is greater than the maximum rate at which the Notes bear interest (the "**Maximum Interest Rate**"), the Rate of Interest shall be such Maximum Interest Rate.

In addition to any Maximum Interest Rate which may be applicable to any Note pursuant to the above provision, the interest rate on such Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25.00 per cent. per annum on a simple interest basis, with certain exceptions. The limit may not apply to Notes in which \$2,500,000 or more has been invested.

5. **Payments**

(a) ***Payments of Principal and Interest***

- (i) Payments of principal in respect of Notes shall be made to the person shown on the Register on the Record Date in the manner provided in Condition 5(a)(ii) below.
- (ii) Payments of interest on Notes shall be paid to the person shown on the Register on the Record Date. Payments in respect of each Note shall be made in the relevant Specified Currency by check drawn on a bank in the Principal Financial Center of the country of such Specified Currency and mailed to the Noteholder (or the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Registrar or Transfer Agent before the Record Date, such payment may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the Principal Financial Center of the country of such Specified Currency.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

Notwithstanding anything to the contrary in this Condition 5(a), payments in CNY will be made solely by credit or transfer to a CNY account maintained by the payee with a bank in the CNY Settlement Center in accordance with applicable laws, rules, regulations, and guidelines.

(b) ***Payment Business Day***

If the due date for payment of any amount in respect of any Note is not a Payment Business Day, the holder of the Notes shall not be entitled to payment of the amount due until (i) if "Following" is specified in the applicable Final Terms, the next following Payment Business Day or (ii), if "Modified Following" is specified in the applicable Final Terms, the next following Payment Business Day unless that Payment Business Day falls in the next calendar month, in which case the first preceding Payment Business Day. The holder of the Notes shall not be entitled to further interest or other payment in respect of such delay or amendment. For these purposes, "**Payment Business Day**" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchanges and foreign currency deposits) in:

- (i) the Principal Financial Center of the country of the relevant Specified Currency (or (A) in the case of an amount payable in euro, a day on which the TARGET2 System or any successor thereto is operating or (B) in the case of an amount payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Center);
- (ii) each additional financial center ("**Additional Financial Center**") specified in the applicable Final Terms; and
- (iii) London and New York City.

(c) ***Interpretation of Principal***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any Additional Amounts (as defined in Condition 8) which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount (as defined in Condition 6(a)) of the Notes;
- (iii) the redemption amount (the "**Early Redemption Amount**") of the Notes payable on redemption for taxation reasons or following an Event of Default and the method, if

any, of calculating the same if required to be specified by, or if different from that set out in, Condition 6(f);

- (iv) each redemption amount (the "**Optional Redemption Amount**"), if any, of the Notes;
- (v) for Installment Notes, the amount (expressed as a percentage of the principal amount of each Note) of such installment (each, an "**Installment Amount**");
- (vi) for Amortizing Notes, the amount of unpaid principal;
- (vii) for Zero Coupon Notes, the Amortized Face Amount; and
- (viii) any premium and any other amounts which may be payable by the Issuer under or for the Notes.

Any reference in these Terms and Conditions to interest on the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable in connection with interest under Condition 8.

(d) ***Imposition of Exchange Controls and other Limitations***

If the Issuer, after consulting with the Principal Agent, reasonably determines that a payment on the Notes cannot be made in the Specified Currency due to: (A) restrictions imposed by the government of such currency or any agency or instrumentality thereof or any monetary authority in such country; or (B) the Specified Currency no longer being used by the government of the country issuing such currency or for the settlement of transactions by public institutions in that country or within the international banking community, then in the case of (A) above, the Issuer shall make such payment outside the United States and its possessions in U.S. Dollars and in the case of (B) above, the Issuer, at its discretion, shall make such payment outside the United States and its possessions either in U.S. Dollars or in another currency available to the Issuer for such purposes in connection with the Notes (a "**Substitute Currency**"), subject in any case to any applicable laws and regulations. The amount of U.S. Dollars or Substitute Currency to be paid in connection with any payment shall be the amount of U.S. Dollars or Substitute Currency, as applicable, that could be purchased by the Agent with the amount of the relevant currency payable on the date the payment is due, at the rate for sale in financial transactions of U.S. Dollars or Substitute Currency (for delivery in the Principal Financial Center of the Specified Currency two Business Days later) quoted by that bank at 10:00 a.m. local time in the Principal Financial Center of the relevant currency, on the second Business Day prior to the date the payment is due or, if no such rate is available at an appropriate market rate of exchange determined by the Agent to be prevailing or, if no such rate is available, at the rate for conversion established by the then market practice in respect of internationally offered securities as of any relevant time or dates. Any such conversion shall be notified to Noteholders in accordance with Condition 13.

(e) ***Rounding***

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified elsewhere in these Conditions or in the applicable Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of such currency (with halves being rounded up), except in the case of Japanese yen, which, if the applicable Final Terms specifies "JPY Rounding Down" to be applicable, shall be rounded down to the nearest Japanese yen or, if the applicable Final Terms specifies "JPY Rounding Up" to be applicable, shall be rounded up to the nearest Japanese yen (with JPY 0.5 being rounded up).

(f) ***Payment Disruption***

(i) *Occurrence of a Payment Disruption Event or a CNY Payment Disruption Event*

If the applicable Final Terms specifies "Payment Disruption Event" or "CNY Payment Disruption Event" to be applicable, then, in the event that the Calculation Agent, at any time and from time to time, determines in its sole discretion that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Noteholders of the relevant Notes of the occurrence of such Payment Disruption or CNY Payment Disruption Event, as the case may be, in accordance with Condition 13.

(ii) *Consequences of a Payment Disruption Event*

Upon the occurrence of a Payment Disruption Event:

(A) *Obligation to pay postponed*

The Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or any such other amounts in respect of the relevant Notes shall, subject to Condition 5(f)(v), be postponed until five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Noteholders in accordance with Condition 13) after the date on which the Payment Disruption Event is no longer operating. Noteholders shall not be entitled to further interest or other payment in respect of such postponement.

(B) *Issuer's option to vary settlement*

Notwithstanding the Issuer's right to postpone payment in accordance with Condition 5(f)(ii)(A), the Issuer may, if practicable (and to the extent lawful), and at the Issuer's sole and absolute discretion:

- (1) make payments due to be made in the Subject Currency in the Base Currency, converted from the Subject Currency into the Base Currency at a rate reasonably selected by the Calculation Agent; or
- (2) make payments due to be made in the Base Currency in the Subject Currency, disregarding any obligation to convert amounts into the Base Currency.

Any payments made in accordance with this Condition 5(f)(ii)(B) shall satisfy and discharge in full (in the case of payments or deliveries made in accordance with sub-paragraphs (1) to (3) above) and in part (in the case of Partial Distributions made in accordance with sub-paragraph (4)) the Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of which the Payment Disruption Event has arisen, and no further amounts shall be due and payable by the Issuer in respect thereof.

(iii) *Consequences of a CNY Payment Disruption Event*

Upon the occurrence of a CNY Payment Disruption Event:

(A) *Obligation to pay postponed*

Condition 5(f)(ii)(A) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(B) *Payment of Equivalent Amount*

If "Payment of Equivalent Amount" is specified to be applicable in the applicable Final Terms, and the Calculation Agent determines that such CNY

Payment Disruption Event is material in relation to the Issuer's obligations under the relevant Notes to pay any Interest Amount, Fixed Coupon Amount, Final Redemption Amount, or other amount in respect of the relevant Notes on the relevant Interest Payment Date, Maturity Date, or such other date on which any amount in respect of the relevant Notes shall be due and payable (such date, the "**Affected Payment Date**"), then the Issuer shall, on giving notice to Noteholders prior to the relevant Affected Payment Date, make payment of the Equivalent Amount of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount, or such other amount payable (if applicable) on the relevant Affected Payment Date in full and final settlement of its obligations to pay such Interest Amount, Fixed Coupon Amount, Final Redemption Amount, or other amount in respect of the relevant Notes.

(iv) *Payments net of expenses*

Notwithstanding any provisions to the contrary, (A) any payments made in accordance with Condition 5(f)(ii) or Condition 5(f)(iii) shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) or CNY Payment Disruption Event(s), as the case may be, and (B) no interest shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Notes as a result of the operation of Condition 5(f)(ii) or Condition 5(f)(iii), as the case may be.

(v) *Payment Event Cut-Off Date*

In the event that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, is still occurring on the Payment Event Cut-Off Date, the Interest Payment Date, the Maturity Date, or any other date on which the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of the relevant Notes shall be due and payable (as the case may be) for the relevant Notes shall fall on the Payment Event Cut-Off Date. In such circumstances, the Noteholder will not receive any amounts. Thereafter, the Issuer shall have no obligations whatsoever under the Notes.

For the purposes of this Condition 5(f):

"**Base Currency**" means the currency specified as such in the applicable Final Terms.

"**CNY**" means Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY);

"**CNY Payment Disruption Event**" means the occurrence of any of the following events:

- (A) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the Notes in the general CNY foreign exchange market in the relevant CNY Settlement Center(s), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule, or regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule, or regulation);
- (B) an event that makes it impossible or impractical for the Issuer to (1) deliver CNY between accounts inside the relevant CNY Settlement Center(s), or (2) from an account inside the relevant CNY Settlement Center(s) to an account outside the relevant CNY Settlement Center(s) (including, if applicable, to another CNY Settlement Center), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule, or regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the Trade Date and it is impossible or

impractical for the Issuer, due to an event beyond its control, to comply with such law, rule, or regulation); and

- (C) the general CNY foreign exchange market in the relevant CNY Settlement Center becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Notes;

**"CNY Settlement Center"** means the Financial Center(s) specified as such in the applicable Final Terms;

**"Equivalent Amount"** means, in respect of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount payable (if applicable) on the relevant Affected Payment Date (for these purposes, the **"Relevant Amount"**), an amount in the Base Currency determined by the Calculation Agent by converting the Relevant Amount into the Base Currency using the Equivalent Amount Settlement Rate for the relevant Affected Payment Date;

**"Equivalent Amount Settlement Rate"** means in respect of any relevant day, the spot exchange rate on such day between CNY and the Base Currency, determined by the Calculation Agent, taking into account all available information which the Calculation Agent deems relevant (including, but not limited to, pricing information obtained from the CNY non-deliverable market outside the People's Republic of China and/or the CNY foreign exchange market in the People's Republic of China);

**"Governmental Authority"** means any *de facto or de jure* government (or any agency or instrumentality 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 the People's Republic of China, the Hong Kong Special Administrative Region and any other CNY Settlement Center;

**"impractical"** or **"impracticality"** means, in respect of any action to be taken by the Issuer, that the Issuer and/or its Affiliates would incur a materially increased amount of taxes, duties, expenses, or fees (as compared with circumstances existing on the Trade Date) to perform such action, or the Issuer and/or any Affiliates would be in breach of any law, rule, regulation, guideline, or internal policy of the Issuer and/or its Affiliates, if such action were to be performed;

**"Inconvertibility Event"** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (a) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions); and/or
- (b) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Center(s) in accordance with normal commercial practice.

**"Non-Transferability Event"** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any event that generally makes it impossible to deliver (a) the Base Currency from accounts inside the Subject Currency Jurisdiction to accounts outside the Subject Currency Jurisdiction or (b) the Subject Currency between accounts inside the Subject Currency Jurisdiction or to a party that is a non-resident of the Subject Currency Jurisdiction.

**"Payment Disruption Event"** means:

- (A) the occurrence of either (1) an Inconvertibility Event and/or (2) a Non-Transferability Event;
- (B) the imposition by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Notes, and notice thereof is given by the Issuer to the Noteholders in accordance with Condition 13; or
- (C) the implementation by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Subject Currency Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the Notes;

**"Payment Event Cut-Off Date"** means the date which is one year after the Maturity Date, or as determined by the Calculation Agent acting in good faith and notified to Noteholders in accordance with Condition 13;

**"Subject Currency"** means the currency specified as such in the applicable Final Terms.

**"Subject Currency Jurisdiction"** means the country for which the Subject Currency is the lawful currency.

6. **Redemption and Purchase**

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, the Issuer will redeem each Note at an amount (the "**Final Redemption Amount**") specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

For the purposes of these Terms and Conditions, "**Redemption Amount**" shall mean the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Minimum Redemption Amount or Higher Redemption Amount (each as defined below), as the context may require.

(b) ***Redemption for Tax Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 calendar days' notice (which notice shall be irrevocable) to the Principal Agent and to the Noteholders, in accordance with Condition 13, if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obligated to pay Additional Amounts as discussed in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) the Issuer cannot avoid such obligation by taking reasonable measures available to it, provided that no such redemption notice shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication of any redemption notice pursuant to this Condition 6(b), the Issuer shall deliver a certificate to the Principal Agent signed by an Authorized Officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent, if any, to the redemption have occurred. For the purposes of this paragraph, "**Authorized Officer**" means, with respect to the Issuer, the Chief Executive Officer, the Chief Financial Officer, the Treasurer, any Senior Vice President or any Managing Director or Director - Corporate Treasury of the Issuer, or any other person who is duly authorized to act for the Issuer in matters relating to, and binding upon, the Issuer.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) below together (if appropriate) with interest accrued to (but excluding) the date fixed for redemption.

(c) **Call Options**

(i) **Redemption at the Option of the Issuer (Issuer Call Option)**

If the applicable Final Terms specifies that the Issuer has an option to redeem the Notes, and the Issuer gives:

- (A) not less than the minimum number of Business Days' notice prior to the Optional Redemption Date (defined below) specified in the applicable Final Terms in accordance with Condition 13 to the Noteholders; and
- (B) not less than two London Business Days' (as defined in Condition 4(e)) notice to the Principal Agent before giving notice as referred to in (A) above;

(both of which notices shall be irrevocable), then the Issuer may redeem all or a portion of the Notes then outstanding on the dates upon which redemption may occur (each, an "**Optional Redemption Date**") and, in the case of a Note other than a Zero Coupon Note, at the Optional Redemption Amounts specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the case of a Zero Coupon Note, the Optional Redemption Amount shall be the Amortized Face Amount calculated in accordance with Condition 6(e)(ii) and the reference to "Early Redemption Amount" therein shall be deemed to be a reference to "Optional Redemption Amount", for the purposes of this Condition 6(c)(i). Any redemption must be of a principal amount equal to the minimum principal amount of the Notes permitted to be redeemed at any time (the "**Minimum Redemption Amount**") or any greater principal amount of the Notes permitted to be redeemed at any time (each, a "**Higher Redemption Amount**"), both as specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Registered Definitive Notes, and in accordance with the rules of the Relevant Clearing System (to be reflected in the records of the Relevant Clearing System as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes in global form, not more than 60 calendar days prior to the date fixed for redemption (the "**Selection Date**"). In the case of Redeemed Notes in definitive form, a list of the serial numbers of the Redeemed Notes will be published in accordance with Condition 13 not less than 30 calendar days prior to the date fixed for redemption. No exchange of a Registered Global Note for Registered Definitive Notes and no transfer of Registered Definitive Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 6(c) and the Issuer shall give notice to that effect to the Noteholders in accordance with Condition 13 at least 10 calendar days prior to the Selection Date.

(ii) **Automatic Early Redemption**

If the applicable Final Terms specifies that Automatic Early Redemption is applicable in respect of any Range Accrual Notes and an Automatic Early Redemption Event has occurred on the Automatic Early Redemption Observation Date, the Notes shall be

redeemed at the Automatic Early Redemption Amount on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Observation Date.

**"Automatic Early Redemption Amount"** means, in respect of each Note of the Specified Denomination, 100 per cent. of the Specified Denomination.

**"Automatic Early Redemption Date"** means each Automatic Early Redemption Date specified in the applicable Final Terms.

**"Automatic Early Redemption Event"** shall occur if an Automatic Early Redemption Reference Rate is (a) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to; or (b) if specified in the applicable Final Terms that "greater than" shall apply, greater than; or (c) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to; or (d) if specified in the applicable Final Terms that "less than" shall apply, less than, the Automatic Early Redemption Trigger Level.

**"Automatic Early Redemption Observation Date"** means in respect of an Automatic Early Redemption Date, the day falling on the number of Business Days specified in the applicable Final Terms in the Relevant Financial Center prior to such Automatic Early Redemption Date or, if no such number is so specified, the day falling on the fifth Business Day in the Relevant Financial Center prior to such Automatic Early Redemption Date.

**"Automatic Early Redemption Reference Rate"** means, in respect of an Automatic Early Redemption Observation Date, the offered quotation (if there is only one quotation on the Relevant Screen Page specified in the applicable Final Terms) or the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page) for the Automatic Early Redemption Reference Rate for the Specified Maturity and the Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page on which the Automatic Early Redemption Reference Rate is for the time being displayed at the Relevant Time in the Relevant Financial Center on such Automatic Early Redemption Observation Date, provided that if such rate does not appear on such Relevant Screen Page at the Relevant Time in the Relevant Financial Center on such Automatic Early Redemption Observation Date, the Calculation Agent will in its sole and absolute discretion, determine such rate (or a method for determining such rate) for such Automatic Early Redemption Observation Date, taking into consideration all available information and acting in good faith and in a commercially reasonable manner.

**"Automatic Early Redemption Trigger Level"** means the Automatic Early Redemption Trigger Level specified in the applicable Final Terms.

(d) ***Put Option-Redemption at the Option of the Noteholders (Investor Put Option)***

If the applicable Final Terms specifies that the Noteholders have an option to redeem the Notes, then upon any Noteholder giving the Issuer (through the Relevant Clearing System, in the case of Notes held in global form), in accordance with Condition 13, not less than the minimum number of Business Days' notice prior to the Optional Redemption Date specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer, upon the expiration of such notice, will redeem in whole (but not in part), the Notes of such Noteholder on the Optional Redemption Date and, in the case of a Note other than a Zero Coupon Note, at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. In the case of a Zero Coupon Note, the Optional Redemption Amount shall be the Amortized Face Amount calculated in accordance with Condition 6(e)(ii) and the reference to "Early Redemption Amount" therein shall be deemed to be a reference to "Optional Redemption Amount", for the purposes of this Condition 6(d).

With respect to Notes held in definitive form, to exercise such option, the Noteholder must deposit the Registered Definitive Note representing such Note(s) with the Registrar or the Transfer Agent, in each case at its specified office, during normal business hours of such, Registrar or Transfer Agent falling within the notice period, together with an option exercise notice in the form obtainable from the Registrar or the Transfer Agent duly signed and completed by the relevant Noteholder (the "**Put Notice**") in which the Noteholder must specify a bank account (or, if payment is by check, an address) to which payment is to be made under this Condition 6(d).

With respect to Notes held in global form, to exercise the option of a Noteholder to redeem its Notes, the Noteholder must give notice to the Relevant Clearing System of such exercise within the notice period and in accordance with the standard procedures of the Relevant Clearing System through which such Noteholder holds its Notes in a form acceptable to such Relevant Clearing System (which may include notice by electronic means or notice given upon such Noteholder's instruction by the Common Depositary or Common Safekeeper, as applicable).

(e) **Early Redemption Amounts**

For purposes of Condition 6(b) above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable prior to the Maturity Date:

(i) in the case of a Note (other than (x) a Zero Coupon Note, or (y) any other Note to which Condition 6(e)(ii) is specified in the relevant Final Terms to apply) at the Final Redemption Amount thereof; or

(ii) in the case of (x) a Zero Coupon Note, or (y) any other Note to which this Condition 6(e)(ii) is specified in the relevant Final Terms to apply, at an amount (the "**Amortized Face Amount**") calculated in accordance with the following formula:

$$(A) \quad \text{Early Redemption Amount} = RP \times (1 + AY)^y$$

where:

"**RP**" means the Reference Price, as set forth in the applicable Final Terms; and

"**AY**" means the Accrual Yield expressed as a decimal, as set forth in the applicable Final Terms; and

"**y**" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) "30/360" (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) "Actual/360" (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) "Actual/365" (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(B) if the amount payable with respect to any Zero Coupon Note upon redemption pursuant to Condition 6(b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is not paid or available for payment when due, the amount due and repayable with respect to such Zero Coupon Note shall be the Amortized Face Amount of such Zero Coupon Note calculated as

provided above as though the references in the definition of "y" in the sub-paragraph (A) above to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "**Reference Date**") which is the earlier of:

- (1) the date on which all amounts due with respect to the Zero Coupon Note have been paid; or
- (2) the date on which the full amount of the monies repayable has been received by the Agent and notice to that effect has been given in accordance with Condition 13.

The calculation of the Amortized Face Amount in accordance with this sub-paragraph (B) will continue to be made, before, as well as after, judgment, until the Reference Date, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the principal amount of such Note together with interest at a rate per annum equal to the Accrual Yield.

"**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.

"**Associated Costs**" means an amount per Note of the Specified Denomination equal to such Note's pro rata share of the total amount of any and all costs associated or incurred by the Issuer or any Affiliate in connection with such early redemption, including, without limitation, any costs associated with unwinding any funding relating to the Notes and any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

(f) ***Repurchases***

The Issuer and/or any of its Affiliates may at any time repurchase Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold, or surrendered to any Paying Agent for cancellation, provided that any such Notes reissued or resold comply with the selling restrictions set forth in United States Treasury Regulation section 1.163-5 as if they were newly issued.

(g) ***Cancellation***

All Notes which are redeemed will be cancelled by surrendering the Registered Global Note or Registered Definitive Note representing such Notes to the Registrar and, if so surrendered, shall be cancelled forthwith. All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6(g) above shall be forwarded to the Principal Agent and cannot be reissued or resold.

7. **Redenomination**

If the applicable Final Terms specifies that redenomination is applicable, Notes denominated in a currency that may be redenominated into euro, at the election of the Issuer, may be subject to redenomination in the manner set out below. In relation to such Notes, the Issuer, without the consent of the Noteholders, on giving at least 30 calendar days' prior notice to Noteholders, the Principal Agent and the Relevant Clearing System in accordance with Condition 13, may designate a "**Redenomination Date**" for the Notes, being (in the case of interest-bearing Notes) a date for payment of interest under the Notes (or in the case of Zero Coupon Notes, any date), in each case specified by the Issuer in the notice given pursuant to this paragraph and falling on or after the date on which the relevant member state commences participation in the third stage of European Economic and Monetary Union pursuant to the EC Treaty and which falls before the date on which the currency ceases to be a subdivision of the euro.

Beginning on the Redenomination Date, notwithstanding the other provisions of the Terms and Conditions:

- (a) the Notes shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into euro at the rate for conversion established by the Council of the European Union pursuant to the EC Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines, with the agreement of the Agent (which agreement shall not be unreasonably withheld), that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, any stock exchange on which the Notes may be listed, and any Paying Agent of such deemed amendment;
- (b) if Registered Definitive Notes are required to be issued after the Redenomination Date, in the case of Notes with a Specified Denomination equivalent to €100,000 they shall be issued at the expense of the Issuer in the denominations of €100,000, and such other denominations as the Principal Agent determines and gives notice of to the Noteholders; and
- (c) after the Redenomination Date, all payments in respect of the Notes (other than payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a subdivision of the euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

In connection with such redenomination, the Issuer, after consultation with the Principal Agent, may make such other changes to the Terms and Conditions applicable to the relevant Notes, including, without limitation, with respect to any Business Day, Fixed Day Count Fraction, Day Count Fraction, or other conventions as it may decide, so as to conform them to the then market practice in respect of euro-denominated debt securities issued in the Euromarkets, which are held in international clearing systems.

Any such changes will not take effect until the next following Interest Payment Date, after the Noteholders have been given notice in accordance with Condition 13.

The circumstances and consequences described in this Condition 7 and any resulting amendment to the Terms and Conditions of the Notes will not entitle any Noteholder (i) to any legal remedy, including, without limitation, redemption, rescission, notice, repudiation, adjustment, or renegotiation of the Notes, or (ii) to raise any defense or make any claim (including, without limitation, claims of breach, force majeure, frustration of purpose, or impracticability) or any other claim for compensation, damages, or any other relief.

## 8. **Taxation**

The Issuer will pay a United States Alien such additional amounts of interest ("**Additional Amounts**") as may be necessary so that every net payment of the principal of and interest on any Note, after deduction or withholding for or on account of any present or future tax, assessment, or other governmental charge imposed upon such holder by the United States or any political subdivision or taxing authority thereof or therein (other than any territory or possession) upon or as a result of such payment, will not be less than the amount provided for in such Note; provided, however, that the foregoing obligation to pay Additional Amounts shall not apply to:

- (a) any tax, assessment, or other governmental charge which would not have been so imposed but for:
  - (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member, or stockholder of, or a person holding a power over, such holder, if such holder is an estate, trust, partnership, or corporation) and the United States or any of its possessions, including, without limitation, such holder (or

such fiduciary, settlor, beneficiary, member, stockholder, or person holding a power) being or having been a citizen or resident or treated as a resident thereof or being or having been engaged in a trade or business therein or being or having been present therein or having or having had a permanent establishment therein or having or having had a qualified business unit which has the U.S. Dollar as its functional currency;

- (ii) such holder's present or former status as a personal holding company, foreign personal holding company, passive foreign investment company, private foundation, or other tax-exempt entity, or controlled foreign corporation for United States tax purposes or a corporation which accumulates earnings to avoid United States federal income tax; or
  - (iii) such holder's status as a bank extending credit pursuant to a loan agreement entered into in the ordinary course of business;
- (b) any tax, assessment, or governmental charge that would not have been so imposed but for the failure of the holder to comply with certification, identification, or information reporting requirements under United States income tax laws, without regard to any tax treaty, with respect to the payment, concerning the nationality, residence, identity, or connection with the United States or any of its possessions of the holder or a beneficial owner of such Note, if such compliance is required by United States income tax laws, without regard to any tax treaty, as a precondition to relief or exemption from such tax, assessment, or governmental charge;
  - (c) any tax, assessment, or governmental charge that would not have been so imposed but for the presentation by the holder of such Note for payment on a date more than 30 calendar days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
  - (d) any estate, inheritance, gift, sales, transfer, excise, wealth, or personal property tax or any similar tax, assessment, or governmental charge;
  - (e) any tax, assessment, or governmental charge which is payable otherwise than by withholding by the Issuer or a Paying Agent from the payment of the principal of or interest on any Note;
  - (f) any tax, assessment, or governmental charge imposed solely because the payment is to be made by a particular Paying Agent or a particular office of a Paying Agent and would not be imposed if made by another Agent or by another office of this Agent;
  - (g) any tax, assessment, or other governmental charge imposed on interest received by a person holding, actually or constructively, 10.00 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;
  - (h) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC (the "**Directive**") or any law implementing or complying with, or introduced in order to conform to, such Directive;
  - (i) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the application of section 1471 through 1474 of the Code (or any successor provisions) any regulation, assessment, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time;
  - (j) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the payment being treated as a dividend or "dividend equivalent" for United States tax purposes; or
  - (k) any combination of items (a) through (j) above,

nor shall Additional Amounts be paid with respect to any payment of the principal of or interest on any Note to a person other than the sole beneficial owner of such payment or that is a partnership or fiduciary to the extent either (i) such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary would not have been entitled to the payment of Additional Amounts had such beneficial owner, member, beneficiary, or settlor been the Noteholder, or (ii) the

Noteholder does not provide a statement, in the form, manner, and time required by applicable United States income tax laws, from such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary concerning its nationality, residence, identity, or connection with the United States.

**"United States Alien"** means any corporation, partnership, entity, individual, or fiduciary that is for United States federal income tax purposes (1) a foreign corporation, (2) a foreign partnership to the extent one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, or a foreign estate or trust, (3) a non-resident alien individual, or (4) a foreign estate or trust.

Except as specifically provided herein and in the Agency Agreement, the Issuer shall not be required to make any payment with respect to any tax, assessment, or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein.

Whenever any Additional Amounts are to be paid on Notes, the Issuer will give notice to the Principal Agent and the other Paying Agents, as provided in the Agency Agreement.

#### 9. **Prescription**

Claims against the Issuer for payment in respect of Notes shall be prescribed and become void unless made within a period of five years after the date on which such payment first becomes due (the **"Relevant Date"**). However, if the full amount of the money payable has not been duly received by the Principal Agent or other relevant Paying Agent on or prior to the Relevant Date, then the Relevant Date shall mean the date on which, after the full amount of such money has been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

#### 10. **Events of Default**

##### (a) ***Events of Default in Relation to Senior Notes***

The occurrence of any of the following events with respect to any Series of Senior Notes shall constitute an **"Event of Default"** with respect to such Series:

- (i) the Issuer shall fail to pay the principal amount of any of such Senior Notes when due whether at maturity or upon early redemption or otherwise; or
- (ii) the Issuer shall fail to pay any installment of interest, other amounts payable, or Additional Amounts on any of such Senior Notes for a period of 30 calendar days after the due date; or
- (iii) the Issuer shall fail duly to perform or observe any other term, covenant, or agreement applicable to such Senior Notes contained in any of such Senior Notes or in the Agency Agreement for a period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Issuer and the Principal Agent by the Noteholders of at least 33.00 per cent. in aggregate principal amount of such Senior Notes at the time outstanding; provided, however, that in the event the Issuer within the aforesaid period of 90 calendar days shall commence legal action in a court of competent jurisdiction seeking a determination that the Issuer had not failed duly to perform or observe the term or terms, covenant or covenants, or agreement or agreements specified in the aforesaid notice, such failure shall not be an Event of Default unless the same continues for a period of ten calendar days after the date of any final determination to the effect that the Issuer had failed to duly perform or observe one or more of such terms, covenants, or agreements; or
- (iv) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its property

or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 60 consecutive calendar days; or

- (v) the Issuer shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganization, or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, conservator, assignee, trustee, custodian, sequestrator (or similar official) of the Issuer or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

(b) ***Events of Default in Relation to Subordinated Notes***

The occurrence of any of the following events with respect to any Series of Subordinated Notes shall constitute an "**Event of Default**" with respect to such Series:

- (i) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its property or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 60 consecutive calendar days; or
- (ii) the Issuer shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganization, or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, conservator, assignee, trustee, custodian, sequestrator (or similar official) of the Issuer or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

(c) ***Acceleration of Notes, Notices, Certain Calculations, and Amounts to be Paid***

If an Event of Default shall occur and be continuing with respect to any Series of Notes, then the holder of any Notes of the applicable Series, at such holder's option, by written notice to the Issuer and the Principal Agent, may declare the principal of such Note, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any, thereon) to be due and payable immediately and if any such Event of Default shall continue at the time of receipt of such written notice, such amounts shall become immediately due and payable, subject to the qualification in bold-type immediately below. Upon payment of such amount of principal, interest, or any other amounts payable (and Additional Amounts, if any), all of the Issuer's obligations in respect of payment of principal of, interest, or any other amounts payable (and Additional Amounts, if any) on such Note shall terminate. Interest on overdue principal, interest, or any other amounts payable (and Additional Amounts, if any) shall accrue from the date on which such principal, interest, or any other amounts payable (and Additional Amounts, if any) were due and payable to the date such principal, interest, or any other amounts payable (and Additional Amounts, if any) are paid or duly provided for, at the rate borne by the Notes (to the extent payment of such interest shall be legally enforceable).

**Payment of principal, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any) of the Subordinated Notes may not be accelerated in the case of a default in the payment of principal, interest, or any other amounts then payable or the performance of any other covenant of the Issuer. Payment of the principal, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any) of the Subordinated Notes may be accelerated only in the case of the bankruptcy or insolvency of the Issuer.**

If an Event of Default with respect to the Notes, or an event which, with the passing of time or the giving of notice, or both, would be an Event of Default, shall occur and be continuing, the Issuer shall notify the Principal Agent in writing of such Event of Default no later than the following Business Day after it becomes aware of such Event of Default, and the Principal Agent thereupon promptly shall notify all of the relevant Noteholders of such Event of Default.

If any Note shall become so repayable, it shall be repaid at its Early Redemption Amount (as defined in Condition 6(f)) together, if appropriate, with accrued interest thereon, such interest to accrue and be paid in accordance with Condition 4.

#### 11. **Replacement of Registered Global Notes or Registered Definitive Notes**

Should any Registered Global Note or Registered Definitive Note be lost, stolen, mutilated, defaced, or destroyed, it may be replaced at the specified office of the Registrar or Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Registered Global Notes or Registered Definitive Notes must be surrendered before replacements will be issued.

#### 12. **Agent and Paying Agents**

Bank of America, N.A. (operating through its London Branch) of 5 Canada Square, London E14 5AQ, United Kingdom shall be the initial Principal Agent. Merrill Lynch International Bank Limited of Dublin Road, Carrick on Shannon, Ireland shall be the Registrar and Transfer Agent.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, the Registrar, or Transfer Agent and to appoint an alternative Principal Agent or other Paying Agents, Registrars, or Transfer Agents and approve any change in the specified office through which any Paying Agent, Registrar or Transfer Agent acts, provided that:

- (a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (b) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (c) there will at all times be a Principal Agent;
- (d) the Issuer will maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the Directive (as defined in Condition 8) or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (e) there will at all times be a Transfer Agent and a Registrar with a specified office in continental Europe (outside the United Kingdom).

Any variation, termination, appointment, or change shall take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

#### 13. **Notices**

Notices to the holders of the Notes shall be (a) mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and (b) save where another means of effective communication has been specified herein, published (i) in the case of any Notes which are admitted to trading on the London Stock Exchange's Regulated Market (so long as the rules of that exchange so require), in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*), or, if such publication is not practicable, published in a leading English language daily newspaper having general circulation in Europe, or (ii) in the case of Notes which are admitted to listing, trading, and/or quotation by any other listing authority, stock exchange, and/or quotation system

(so long as the rules of such listing authority, stock exchange, and/or quotation system so require), in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and in such other place or manner as may be required by the rules and regulations of such listing authority, stock exchange, and/or quotation system.

Notices to the holders of Notes shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the later of the date of mailing and (if applicable) the date of publication (or if required to be published in more than one newspaper, the first date on which publication shall have been made in all required newspapers).

For so long as the Registered Global Notes are held in their entirety on behalf of the Relevant Clearing System and until such time as any Registered Definitive Notes are issued, if any are issued, there may be substituted for such publication in such newspaper the delivery of the relevant notice to the Relevant Clearing System for communication by them to the Noteholders and, in addition, so long as the Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, notices will be published in a daily newspaper of general circulation in a place or places required by those rules. Any such notice to the Relevant Clearing System shall be deemed to have been given to Noteholders on the Business Day after the day on which that notice was given to the Relevant Clearing System.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the related Note or Notes, with the Principal Agent. While any of the Notes are represented by a Registered Global Note, that notice may be given by any Noteholder to the Principal Agent through the Relevant Clearing System, in such manner as the Principal Agent and the Relevant Clearing System may approve for this purpose.

#### **14. Meetings of Noteholders, Modification, and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including approving by Extraordinary Resolution (as defined in the Agency Agreement) a modification of the Notes or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 33.00 per cent. in principal amount of the Notes of the relevant Series that at such time remain outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in principal amount of the Notes of the relevant Series that at such time remain outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Notes of the relevant Series that at such time remain outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

Without the consent of the Noteholders, the Principal Agent and the Issuer may agree to modifications of or amendments to the Agency Agreement or the Notes for any of the following purposes:

- (a) to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer in the Agency Agreement or the Notes;
- (b) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power herein conferred upon the Issuer;
- (c) to relax or eliminate the restrictions on payment of principal and interest in respect of the Notes in the United States or its possessions, provided that such payment is permitted by United States tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Noteholders;
- (d) to cure any ambiguity, to correct or supplement any defective provision herein or any provision which may be inconsistent with any other provision herein;

- (e) to make any other provisions with respect to matters or questions arising under the Notes or the Agency Agreement, provided such action pursuant to this sub-paragraph (e) shall not adversely affect the interests of the Noteholders;
- (f) to facilitate the issuance of Notes in accordance with the laws of a particular jurisdiction; and
- (g) to permit further issuances of Notes in accordance with the terms of the Program Agreement.

Any such modification or amendment shall be binding on the Noteholders and any such modification or amendment shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

**15. Merger, Consolidation, Sale, Conveyance and Assumption**

Any entity into which the Principal Agent or any Agent may be merged or converted, or any entity with which the Principal Agent or any of the Agents may be consolidated or any entity resulting from any merger, conversion, or consolidation to which the Principal Agent or any of the Agents shall be a party, or any entity to which the Principal Agent or any Agent shall sell or otherwise transfer all or substantially all the assets of the Principal Agent or any Agent shall become, on the date when such merger, conversion, consolidation, or transfer becomes effective and to the extent permitted by any applicable laws, the successor Principal Agent or, as the case may be, Agent under the Agency Agreement without the execution or filing of any paper or any further act on the part of the parties to the Agency Agreement, unless otherwise required by the Issuer, and after the effective date all references in the Agency Agreement to the Principal Agent or, as the case may be, such Agent shall be deemed to be references to such entity. Written notice of any such merger, conversion, consolidation, or transfer shall be given immediately to the Issuer by the relevant Principal Agent or Agent.

**16. Additional Issuances**

The Issuer from time to time without the consent of the relevant Noteholders may create and issue additional Series of Notes having terms and conditions the same as (or the same in all respects except for the Issue Date, Interest Commencement Date, and the Issue Price) Notes of an existing Series. These additional Notes shall be consolidated and form a single Series with the outstanding Notes of the existing Series.

**17. Governing Law and Submission to Jurisdiction**

The Agency Agreement and the Notes shall be governed by and construed in accordance with the laws of the State of New York, United States, applicable to agreements made and to be performed wholly within such jurisdiction without regard to principles of conflicts of laws.

The Issuer submits to the non-exclusive jurisdiction of any United States federal court sitting in New York City, the Borough of Manhattan, solely for purposes of any legal action or proceeding brought to enforce its obligations under the Agency Agreement or the Notes. As long as any Note remains outstanding, the Issuer shall either maintain an office or have an authorized agent in New York City upon whom process may be served in any such legal action or proceeding. Service of process upon the Issuer at its office or upon such agents with written notice of such service mailed or delivered to the Issuer shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding. The Issuer appoints CT Corporation System at 111 Eighth Avenue, New York, New York 10011 as its agent upon whom process may be served in any suit, action, or proceeding relating to or arising out of the Agency Agreement or the Notes and with a copy to the Issuer at Bank of America Corporation, Bank of America Corporate Center, NC 1-007-06-10, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, Attn: Corporate Treasury Global Funding Transaction Management, and with an additional copy to Bank of America Corporation, Legal Department, NC1-027-20-05, 214 North Tryon Street, Charlotte, North Carolina 28255-0065, Attn: General Counsel.

## UNITED STATES TAXATION

**TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, NOTEHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY NOTEHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON NOTEHOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER AND ANY DEALER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) NOTEHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

Except as otherwise provided in the applicable Final Terms, the following is a summary of certain United States federal income tax considerations applicable to an investment in the Notes by United States Alien holders who are the original purchasers of the Notes and who, except to the extent specifically provided, have not purchased, and do not hold, the Notes in connection with a United States trade or business. The following summary assumes that all Notes will either be issued with a Final Redemption Amount equal to 100 per cent. of their outstanding principal amount or are Zero Coupon Notes.

This summary is for general information only, and does not purport to discuss all aspects of United States federal income taxation that may be important to a particular holder in light of its circumstances or to holders subject to special tax rules, such as trusts, estates, certain expatriates, passive foreign investment companies and controlled foreign corporations, or the beneficiaries or stockholders of such entities.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds Notes, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding Notes should consult its own tax advisor regarding the United States federal income tax consequences to the partner of the acquisition, ownership, and disposition by the partnership of the Notes.

### Interest

Under the United States federal income tax laws as in effect on the date of this Base Prospectus, and subject to the discussion below, payments of principal and interest (including original issue discount), if any, by the Issuer or any Paying Agent (acting in its capacity as such), to any holder of a Note who is a United States Alien holder generally will not be subject to United States federal income or withholding tax, in the case of interest (including original issue discount), provided that:

- (a) such holder does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;
- (b) such holder is not a controlled foreign corporation for United States federal income tax purposes that is related to the Issuer (directly or indirectly) through stock ownership;
- (c) the interest is not received by a bank on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (d) the interest is not effectively connected with the conduct of a trade or business within the United States; and
- (e) either (i) the holder provides the Issuer (or any paying agent) with a statement which sets forth its address, and certifies, under penalties of perjury, that it is not a United States person (which certification generally may be made on an Internal Revenue Service ("IRS") Form W-8BEN (or successor form)) or (ii) a financial institution holding the Note on behalf of the holder certifies, under penalties of perjury (which certification generally may be made on an IRS Form W-8IMY (or successor form)), that it has received and will provide the Issuer (or the paying agent) with a statement described in (i) above (the "**Certification Requirement**").

Payments to United States Alien holders not meeting the requirements set forth above are subject to withholding at a rate of 30 per cent. unless (A) the holder is engaged in a trade or business in the United States and the holder provides the Issuer with a properly executed IRS Form W-8ECI (or successor form) certifying that the payments are effectively connected with the conduct of a trade or business in the United States, or (B) the holder provides the Issuer with a properly executed IRS Form W-8BEN (or successor form) claiming an exemption from, or reduction in the rate of, withholding under the benefit of a tax treaty. To claim benefits under an income tax treaty, a United States Alien holder must obtain a taxpayer identification number and certify as to its eligibility under the appropriate treaty's limitations on benefits article. In addition, special rules may apply to claims for treaty benefits made by holders that are entities rather than individuals. Under section 871(h)(4)(A) of the Code, payments of certain types of contingent interest to a United States Alien holder (or any foreign partnership without regard to its status as a United States Alien) may be subject to United States withholding tax equal to 30 per cent. of each such payment (or such lower amounts as provided by treaty).

#### **Sale, Exchange or Retirement of Notes**

A United States Alien holder generally will not be subject to United States federal income tax on any gain realized on the sale, exchange, or retirement of a Note (other than gains treated as interest or original issue discount which are subject to the provisions described above), provided that (i) the gain is not effectively connected with the conduct of trade or business within the United States, or a permanent establishment maintained in the United States if certain tax treaties apply, (ii) in the case of a United States Alien that is an individual, the United States Alien is not present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement of the Note, and (iii) the Note is not a "United States real property interest" for United States federal income tax purposes.

#### **Backup Withholding and Information Reporting for Notes**

Payments of principal and interest, and the accrual of original issue discount, if any, with respect to a Note and proceeds from the sale of a Note held by a United States Alien holder will not be subject to information reporting and backup withholding so long as the Certification Requirement is met and the Issuer does not have actual knowledge or reason to know that the certification is false (or such holder otherwise establishes an exemption). However, the Issuer and other payors are required to report payments of interest on Notes on IRS Form 1042-S even if payments are not otherwise subject to information reporting requirements.

In addition, payments of the proceeds from the sale of a Note to or through a foreign office of a broker or the foreign office of a custodian, nominee, or other dealer acting on behalf of a holder generally will not be subject to information reporting or backup withholding. However, if the broker, custodian, nominee, or other dealer is a United States person, the government of the United States or the government of any state or political subdivision of any state, or any agency or instrumentality of any of these governmental units, a controlled foreign corporation for United States federal income tax purposes, a foreign partnership that is either engaged in a trade or business within the United States or whose United States partners in the aggregate hold more than 50 per cent. of the income or capital interest in the partnership, a foreign person 50 per cent. or more of whose gross income for a certain period is effectively connected with a trade or business within the United States, or a United States branch of a foreign bank or insurance company, information reporting (but not backup withholding) generally will be required with respect to payments made to a holder unless the broker, custodian, nominee, or other dealer has documentation of the holder's foreign status and the broker, custodian, nominee, or other dealer has no reason to know or actual knowledge to the contrary.

Payment of the proceeds from a sale of a Note to or through the United States office of a broker is subject to information reporting and backup withholding, unless the holder certifies as to its non-United States person status or otherwise establishes an exemption from information reporting and backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's United States federal income tax liability provided the required information is furnished to the IRS.

**Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act ("FATCA") (sections 1471 through 1474 of the Code) will impose a 30 per cent. U.S. withholding tax on certain U.S. source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends ("**Withholdable Payments**"), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a holder), unless such institution enters into an agreement with the U.S. Treasury Department to collect and provide to the Treasury Department certain information regarding U.S. financial account holders, including certain account holders that are foreign entities with U.S. owners, with such institution or otherwise complies with FATCA. FATCA also generally imposes a withholding tax of 30 per cent. on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial U.S. owners or a certification identifying the direct and indirect substantial U.S. owners of the entity. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

These withholding and reporting requirements will generally apply to U.S. source periodic payments made after December 31, 2013 and to payments of gross proceeds from a sale or redemption made after December 31, 2016. If the Issuer determines withholding is appropriate with respect to the Notes, the Issuer will withhold tax at the applicable statutory rate, without being required to pay any additional amounts in respect of such withholding. However, the withholding tax will not be imposed on payments pursuant to obligations outstanding as of January 1, 2014. Prospective investors are urged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Notes.

THE UNITED STATES FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY OR MAY NOT BE APPLICABLE DEPENDING UPON A NOTEHOLDER'S PARTICULAR SITUATION. NOTEHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN, AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

**UNITED KINGDOM TAXATION**

**The following information is of a general nature and applies only to persons who are the absolute beneficial owners of Notes and is a summary of the Issuer's understanding of current law and HM Revenue & Customs ("HMRC") practice in the United Kingdom as at the date of this Base Prospectus relating only to United Kingdom withholding tax treatment of payments of interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. It does not necessarily apply where the income is deemed for tax purposes to be the income of any other person. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.**

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognized stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "Act") and carry the right to interest. The London Stock Exchange is a recognized stock exchange. Provided, therefore, that the Notes are and remain listed on the Official List and are admitted to trading on the Regulated Market of the London Stock Exchange, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Subject to the following paragraphs, if the Notes are unlisted or cease to be listed on the Official List, United Kingdom income tax of 20 per cent. will generally need to be withheld if the interest has United Kingdom source (subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption). The question of whether interest is United Kingdom source is one of fact but simply listing the Notes in London should not, without more, make the interest "United Kingdom source". Even if the Notes are or become unlisted and the interest is United Kingdom source, an exemption may be available and interest on the Notes may be paid without withholding or deduction on account of United Kingdom tax where the Issuer reasonably believes that (and any person by or through whom interest on the Notes is paid is a company and reasonably believes that), at the time the payment is made, it is an excepted payment within section 930 of the Act, provided that HMRC has not given a direction that the interest should be paid under deduction of tax.

Noteholders may wish to note that HMRC has power to obtain information (including the name and address of the beneficial owner of the interest and the amount of interest paid or received) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of another person. HMRC also has power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not generally exercise its power to obtain information where such amounts are paid or received on or before April 5, 2014. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of other jurisdictions.

References to "**interest**" above mean interest as understood in United Kingdom tax law. In particular this may include any redemption premium (if any).

## EUROPEAN UNION DIRECTIVE ON TAXATION OF SAVINGS INCOME

On July 1, 2005, a European Union ("EU") directive 2003/48/EC regarding the taxation of savings income payments (the "**Savings Directive**") came into effect. The directive obliges a Member State to provide to the tax authorities of another Member State details of payments of interest or other similar income payments made by a person within its jurisdiction for the immediate benefit of an individual or to certain non-corporate entities resident in that other Member State (or for certain payments secured for their benefit). However, Austria and Luxembourg have opted out of the reporting requirements and are instead applying a special withholding tax for a transitional period in relation to such payments of interest, deducting tax at rates rising over time to 35 per cent. This transitional period commenced on July 1, 2005 and will terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from July 1, 2005, a number of non-EU countries and certain dependent or associated territories of Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments of interest or other similar income payments made by a person in that jurisdiction for the immediate benefit of an individual or to certain non-corporate entities in any Member State. The Member States have entered into reciprocal provision of information or transitional special withholding tax arrangements with certain of those dependent or associated territories. These apply in the same way to payments by persons in any Member State to individuals or certain non-corporate residents of those territories.

Noteholders should note that the European Commission adopted an amending proposal to the Savings Directive, which, among other changes, seeks to extend the application of the Savings Directive to (i) payments channelled through certain intermediate structures, and (ii) a wider range of income similar to savings income.

Any changes could impact notes already in issue.

On February 8, 2012, the Joint Statement regarding an Intergovernmental Approach to Improving International Tax Compliance and Implementing FATCA was issued ("**Joint Statement**") by the UK Government together with the Governments of France, Germany, Italy, Spain and the United States. Pursuant to the Joint Statement, the UK Government is consulting on introducing legislation that will broaden the scope of information that is provided by it to certain other tax authorities and vice versa. Such changes, when introduced, may impact Notes which have already been issued.

Draft regulations were released by HMRC for consultation in December 2012. Those draft regulations provide for certain information to be provided to HMRC and that information may then be shared with the other tax authorities.

## THE EUROPEAN COMMISSION'S PROPOSAL FOR A FINANCIAL TRANSACTION TAX

On February 14, 2013, the European Commission produced a draft Council Directive on a common system of financial transaction tax ("**FTT**") to be implemented under enhanced co-operation by 11 Member States, namely Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**FTT Member States**"). If nine of the Member States agree to the wording of the Final Directive, the FTT is expected to apply from January 1, 2014 to the extent that participating Member States have enacted enabling legislation (which they would be required to do by September 30, 2013). The proposal is not yet in final form (and the European Parliament has suggested some changes). Moreover it is understood that the UK has mounted a legal challenge at the Court of Justice of the European Union against certain aspects of the current proposal, however, it is not expected that this challenge will be ruled upon before January 1, 2014.

If the draft Directive issued on February 14, 2013 is adopted without amendment, subject to certain exemptions, the FTT will apply to Financial Transactions as defined below:

- (a) purchases or sales of a wide range of "financial instruments" which is very broadly defined and includes shares, bonds, money-market instruments and many other instruments and would include the Notes; and
- (b) the conclusion or transfer of derivative contracts,

(each a "**Financial Transaction**").

FTT will be chargeable at rates to be determined by each participating Member State, but that rate must be set at least equal to:

- (a) 0.1 per cent of the price paid or, if higher, the market value of the financial instruments under (a) above; and
- (b) 0.01 per cent of the notional value of the derivative contract under (b) above.

In order for FTT to apply to a particular Financial Transaction, at least one party must be a financial institution (as defined in the draft Directive) and either:

- (a) at least one party must be "established" in a FTT Member State (and there are some exceptionally wide deeming provisions which can so treat parties); or
- (b) the underlying financial instrument must be issued by an entity established in an FTT Member State.

The FTT will thus primarily be a tax levied on, Financial Transactions effected by financial institutions (such as banks, credit institutions and pension funds) in the secondary market. However, such financial institutions may choose to transfer the FTT cost on to the holders of Notes, who may consequently suffer additional transaction costs. In addition, the FTT could increase the expenses that the Issuer incurs in entering hedging or other transactions and that could reduce the returns payable to the holders of Notes.

## SUBSCRIPTION AND SALE

The Program Agreement provides for Notes to be issued on a continuous basis to any of the Dealers. However, the Issuer has no obligation to issue any Notes and no Dealer has any obligation to subscribe for Notes. The price or prices at which a given Series will be issued will be agreed at the time of subscription and sale between the Issuer and the relevant Dealers. Notes of the same Series may be subscribed to at different times and at different prices. Notes may be resold at prices to be agreed with the relevant Dealers. There can be no assurance that the Notes will be resold or that there will be a secondary market for them.

MLI, an indirect wholly-owned subsidiary of the Issuer, will participate in the Program as the Arranger and a Dealer under the Program Agreement. MLI is regulated by the Financial Conduct Authority and the Prudential Regulation Authority of the United Kingdom. Any obligations of MLI are the sole responsibility of MLI and do not create any obligation or guarantee on the part of the Issuer or any other affiliate of the Issuer.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes. The obligations of the Dealers under the Program Agreement will be subject to certain conditions set out in the Program Agreement.

In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### General

Save for the approval of this Base Prospectus as a base prospectus for the purposes of the Prospectus Directive by the UK Listing Authority, the Issuer has not taken and currently does not intend to take any action that would permit a public offering of any Notes or possession or distribution of this Base Prospectus or any other offering material relating to any Notes in any jurisdiction where action for that purpose is required. Each Dealer has agreed, and each further dealer or distributor will be required to agree, that it will comply with all applicable laws and regulations known by it, or that reasonably should have been known by it, in each jurisdiction in which it purchases, offers, sells, or delivers Notes or possesses or distributes this Base Prospectus or any other offering material relating to any Notes and will obtain any consent, approval, or permission required by it for the purchase, offer, sale, or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales, or deliveries, and none of the Issuer, the Principal Agent, or any other Dealer or purchaser shall have any responsibility therefor. In addition, each Dealer has agreed that, unless prohibited by applicable law, it will make available upon the request of each person to whom it offers or sells Notes a copy of this Base Prospectus (as amended or supplemented).

None of the Issuer, the Principal Agent, or any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche of Notes, the relevant Dealers will be required to comply with the restrictions set forth in this Base Prospectus, as it shall be amended from time to time, and with such other additional restrictions as the Issuer and the relevant Dealers shall agree to and as shall be set out in the applicable Final Terms.

Neither this Base Prospectus nor any Final Terms constitute, nor may be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. The distribution of this Base Prospectus and the offering and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus comes are required by the Dealers and the Issuer to inform themselves about and to observe any such restrictions.

## 1. **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**", in relation to any Notes in any Relevant Member State, means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

## 2. **United States**

The Notes have not been and will not be registered under the Securities Act or under any U.S. state securities laws.

The Notes may not be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, within the United States of America (including the U.S. states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**")

or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further dealer or distributor will be required to agree, that it has offered and sold any Notes, and will offer and sell any Notes, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of Notes of the same Tranche to persons other than distributors and the date of issue thereof (the "**Restricted Period**"), only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed, and each further dealer or distributor will be required to further agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer who has purchased Notes of a Tranche (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify in writing to the Principal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Principal Agent has agreed to notify such Dealer or Lead Manager in writing of the end of the Restricted Period with respect to such Tranche of Notes. Each Dealer has also agreed that, during the Restricted Period, it will have sent to each distributor, dealer, person receiving a selling concession, fee, or other remuneration, or purchaser that purchases Notes from it a confirmation or other notice substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of Notes of the same Tranche to persons other than distributors and the date of issue thereof, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

### 3. **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing, or disposing of investments (as principal or as agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing, or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage, or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### 4. **Argentina**

The Issuer has not made, and will not make, any application to obtain an authorization from the *Comisión Nacional de Valores* ("**CNV**") for the public offering of the Notes in Argentina. The CNV has not approved the Notes, the offering, nor any document relating to the offering of the Notes. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any of such

Notes in Argentina, except in transactions that will not constitute a public offering of Notes within the meaning of Sections 2 and 83 of the Argentine Capital Markets Law No. 26,831. Argentine insurance companies may not purchase the Notes.

5. **Australia**

Each Dealer, and each further Dealer appointed under the Program:

- (a) must not make any offer or invitation in Australia or which is received in Australia in relation to the issue, sale or purchase of any Notes unless the offeree or invitee is required to pay at least A\$500,000 for the Notes or its foreign currency equivalent (in either case disregarding amounts, if any, lent by the Issuer or other person offering the Notes or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**")), or it is otherwise an offer or invitation in respect of which by virtue of section 708 of the Corporations Act no disclosure is required to be made under Part 6D.2 of the Corporations Act and provided that in any case the offeree or invitee is not a retail client (within the meaning of section 761G or section 761GA of the Corporations Act); and
- (b) has not circulated or issued and must not circulate or issue a disclosure document relating to the Notes in Australia or which is received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.

The Issuer is not authorized under the Banking Act 1959 of the Commonwealth of Australia (the "**Australian Banking Act**") to carry on banking business and is not subject to prudential supervision by the Australian Prudential Regulation Authority. The Notes are not Deposit Liabilities under the Australian Banking Act.

6. **People's Republic of China**

No offering document has been filed with or approved by the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) authorities, and is not an offer of Notes (whether public offering or private placement) within the meaning of the Securities Law or other pertinent laws and regulations of the People's Republic of China. No offering document shall be offered to the general public if used within the People's Republic of China, and the Notes so offered cannot be sold to anyone that is not a qualified purchaser of the People's Republic of China. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China, except under circumstances that will result in compliance with applicable laws and regulations. Structured products shall not be offered and resold to the general public of the People's Republic of China, directly or indirectly.

7. **Curaçao**

The sale of Notes to an Unauthorized Curaçao Person is prohibited under Curaçao law. An "**Unauthorized Curaçao Person**" for the purposes of this Base Prospectus means any citizen or inhabitant of Curaçao (including personal holding companies, corporations, partnerships, or other legal entities created or organized under the laws of Curaçao) who is treated as a "resident" as defined in Article 1 of the Foreign Exchange Act of Curaçao and who has not obtained a license and exemption from the Bank of Curaçao and Sint Maarten to participate in the relevant issue of the Notes as described in this Base Prospectus.

8. **France**

This Base Prospectus has not been approved by the *Autorité des marchés financiers* ("**AMF**").

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (a) it has only made and will only make an offer of Notes to the public (offre au public) in France or an admission of Notes to trading on a regulated market in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the AMF, on the date of

such publication or, (ii) when a prospectus in relation to those Notes has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive, on the date of notification of such approval to the AMF and, in either case, when the formalities required by French laws and regulations have been carried out, and ending at the latest on the date which is 12 months after the date of the approval of the prospectus, all in accordance with articles L.412-1 and L.621-8 to L.621-8-3 of the French Code *monétaire et financier* and the *Règlement général* of the AMF; or

- (b) it has only made and will only make an offer of Notes to the public in France or an admission of Notes to trading on a regulated market in France in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French Code *monétaire et financier* and the *Règlement général* of the AMF; and
- (c) otherwise, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed this Base Prospectus, the applicable Final Terms or any other offering material relating to the Notes to the public in France, and such offers, sales, and distributions have been and will be made in France only to (i) providers of the investment service of portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1 to D.411-3, D.744-1, D.754-1 and D.764-1 of the French Code *monétaire et financier*. The direct or indirect resale of Notes to the public in France may be made only as provided by, and in accordance with, articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code *monétaire et financier*.

In addition, each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in the Republic of France may be made as described above.

## 9. **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes that are or are intended to be disposed of (i) only to persons outside Hong Kong, or (ii) only to "professional investors" as defined in the SFO and any rules made under the SFO.

## 10. **Israel**

This Base Prospectus is intended solely for investors listed in the First Supplement of the Israeli Securities Law of 1968, as amended. A prospectus has not been prepared or filed, and will not be prepared or filed, in Israel relating to the Notes offered hereunder. The Notes cannot be resold in Israel other than to investors listed in the First Supplement of the Israeli Securities Law of 1968, as amended. Subject to any applicable law, the Notes offered hereunder may not be offered or sold to more than thirty-five offerees, in the aggregate, who are resident in the State of Israel, and are not listed in the First Supplement of the Israeli Securities Law of 1968. No action will be taken in Israel that would

permit an offering of the Notes or the distribution of any offering document or any other material to the public in Israel. In particular, no offering document or other material has been reviewed or approved by the Israel Securities Authority. Any material provided to an offeree in Israel may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been provided directly by the Issuer or the Dealers.

#### 11. Republic of Italy

The offering of the Notes has not been registered with CONSOB - *Commissione Nazionale per le Società e la Borsa* (the Italian Companies and Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 34-ter, first paragraph, letter b of CONSOB Regulation No. 11971 of May 14, 1999, as amended ("**CONSOB Regulation No. 11971**"), pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the "**Italian Financial Services Act**"); or
- (b) in other circumstances which are exempted from the rules on offerings of securities to the public pursuant to Article 100 of the Italian Financial Services Act and Article 34-ter, first paragraph, of CONSOB Regulation No. 11971.

Any offer, sale, or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank, or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, Legislative Decree No. 385 of September 1, 1993, as amended (the "**Consolidated Banking Act**"), and Regulation No. 16190 of October 29, 2007 (as amended from time to time); and
- (ii) in compliance with Article 129 of the Consolidated Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of the Italian Financial Services Act, concerning the circulation of financial products, where no exemption from the rules on offerings of securities to the public applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and CONSOB Regulation No. 11971. Furthermore, Article 100-bis of the Italian Financial Services Act affects the transferability of the Notes in the Republic of Italy to the extent that any placing of the Notes is made solely with qualified investors and the Notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus has not been published, purchasers of the Notes who are acting outside of the course of their business or profession may be entitled to declare such purchase null and void and to claim damages from any authorized intermediary at whose premises the Notes were purchased, unless an exemption provided for by the Italian Financial Services Act applies.*

#### 12. Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended, the "**FIEL**"). Each Dealer has represented and agreed, and each further Dealer or distributor appointed under the Program will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for

re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations, and ministerial guidelines of Japan.

If the offer is made by way of Qualified Institutional Investors Private Placement as set out in Article 2, Paragraph 3, Item 2(i) or Article 2, Paragraph 4, Item 2(i) of the FIEL (the "**QII Private Placement**"), the Notes are being offered to qualified institutional investors (the "**QIIs**") as defined in Article 10 of the Cabinet Office Ordinance Concerning the Definition of Terms provided in Article 2 of the FIEL and the investor of any Notes is prohibited from transferring such Notes in Japan to any person in any way other than to QIIs. As the offering of the Notes satisfies the requirements provided in Article 2, Paragraph 3, Item 2(i) or Article 2, Paragraph 4, Item 2(i) of the FIEL, no securities registration statement has been or will be filed under Article 4, Paragraph 1 of the FIEL.

Except in the case the offering is made by way of QII Private Placement, the Notes are being offered only to a small number of potential investors (i.e., less than 50 offerees, except QIIs who are offered the Notes pursuant to the QII Private Placement), and the investor of any Notes (other than the above-mentioned QII investors) is prohibited from transferring such Notes to another person in any way other than as a whole to one transferee. As the offering of the Notes satisfies the requirements provided in Article 2, Paragraph 3, Item 2(ha) or Article 2, Paragraph 4, Item 2(ha) of the FIEL, no securities registration statement has been or will be filed under Article 4, Paragraph 1 of the FIEL.

### 13. **The Grand Duchy of Luxembourg**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant, and agree, that in addition to the circumstances described above in "European Economic Area", Dealers may also offer the Notes for sale in The Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organizations;
- (b) at any time, to legal entities which are authorized or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorized or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, pension and investment funds and their management companies, commodity dealers) as well as entities not so authorized or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg law dated July 10, 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the *Commission de Surveillance du Secteur Financier* as competent authority in Luxembourg in accordance with the Prospectus Directive.

### 14. **Malaysia**

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any prospectus be filed or registered with the Securities Commission of Malaysia, for the offering of the Notes in Malaysia. This Base Prospectus does not constitute and is not intended to constitute an invitation or offer for subscription or purchase of the Notes, nor may this Base Prospectus or any other offering material or document relating to the Notes be published or distributed, directly or indirectly, to any person in Malaysia unless such invitation or offer falls within (a) Schedule 5 to the Capital Markets and Services Act 2007 ("**CMSA**"), (b) Schedules 6 or 7 to the CMSA as an "excluded offer or excluded invitation" or "excluded issue" within the meaning of sections 229 and 230 of the CMSA, and (c) Schedule 8 so the trust deed requirements in the CMSA are not applicable. No offer or invitation in respect of the Notes may be made in Malaysia except as an offer or invitation falling under Schedules 5, and 6 or 7 and 8 to the CMSA.

#### 15. **The Netherlands**

The Issuer does not have an authorization from the Dutch Central Bank (*De Nederlandsche Bank N.V.*) pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) for the pursuit of the business of a bank in the Netherlands and therefore does not have a license pursuant to section 2.1(1), 2.12(1), 2.13(1) or 2.20(1) of the Dutch Financial Supervision Act.

Zero Coupon Notes in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act of May 21, 1985 (*Wet inzake spaarbewijzen*, as amended) and its implementing regulations. No such mediation is required: (A) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (B) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (C) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of the initial distribution or immediately thereafter.

#### 16. **Panama**

The Notes have not been and will not be registered with the National Securities Commission of the Republic of Panama under Decree Law No. 1 of July 8, 1999 (the "**Panamanian Securities Act**") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Act. The Notes do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the National Securities Commission of the Republic of Panama.

#### 17. **Philippines**

THE NOTES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE SECURITIES REGULATION CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

#### 18. **Russia**

Each Dealer has represented, agreed and warranted, and each further Dealer appointed under the Program will be required to represent, agree and warrant, that it has not offered or sold or transferred or otherwise disposed of, and will not offer or sell or transfer or otherwise dispose of, the Notes (as part of their initial distribution or at any time thereafter) to, or for the benefit of, any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation, or to any person located within the territory of the Russian Federation, unless and to the extent otherwise permitted under Russian law.

Under Russian law, the Notes are securities of a foreign issuer, therefore, Russian securities laws permit the placement and public offering of the Notes in Russia only upon fulfilment of certain admittance procedures (which may include registration of the securities prospectus with the regulator) provided for under Russian law. Neither the issue of the Notes nor a securities prospectus in respect of the Notes has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation or any other state bodies that may from time to time be responsible for such registration. The information provided in this Base Prospectus is not an offer, advertisement, or invitation to make offers, sell, purchase, exchange or otherwise transfer the Notes in the Russian Federation or to or for the benefit of any Russian person or entity.

#### 19. **Singapore**

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may

Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## 20. **Switzerland**

If the Notes are offered or distributed into, in or from Switzerland and unless stated otherwise in the applicable Final Terms, (a) each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not, directly or indirectly, (i) publicly offer, sell, or advertise the Notes in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations ("CO"), or (ii) if and to the extent that the Notes qualify as structured products within the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA"), distribute the Notes to non-qualified investors (as such term is defined in the CISA) into, in or from Switzerland, unless the Notes are offered and distributed into, in or from Switzerland in compliance with the CISA, its implementing ordinance and all other applicable laws and regulations in Switzerland, or (iii) distribute or otherwise make available the Base Prospectus (including the applicable Final Terms) or any other document related to the Notes in Switzerland in a way that would constitute a public offering of the Notes or a distribution of the Notes to non-qualified investors within the meaning of the CISA, as the case may be, and (b) each Dealer has acknowledged and agreed, and each further Dealer appointed under the Program will be required to acknowledge and agree, that neither the Base Prospectus nor any other document related to the Notes constitutes a prospectus in the sense of Article 652a or 1156 CO, or a simplified prospectus in the sense of Article 5 of the CISA.

## 21. **Taiwan**

The Notes may not be issued, sold, or offered in Taiwan. No subscription or other offer to purchase the Notes shall be binding on the Issuer until received and accepted by the Issuer or any Dealer outside of Taiwan (the "**Place of Acceptance**"), and the purchase/sale contract arising therefrom shall be deemed a contract entered into in the Place of Acceptance.

22. **Uruguay**

The Notes have not been registered under Law No. 18.627 of December 2, 2009 with the Central Bank of Uruguay. The Notes are not available publicly in Uruguay and are offered only on a private basis. No action may be taken in Uruguay that would render any offering of the Notes a public offering in Uruguay. No Uruguayan regulatory authority has approved the Notes or passed on the Issuer's solvency. In addition, any resale of the Notes must be made in a manner that will not constitute a public offering in Uruguay.

**GENERAL INFORMATION****1. Authorization**

The Program, including the maximum aggregate amount of U.S.\$65,000,000,000, was authorized by resolutions of the Board of Directors of the Issuer adopted June 25, 2008 and July 21, 2009, and by written consents of a committee appointed by the Board of Directors dated July 21, 2009, July 21, 2010, November 19, 2010, July 18, 2011, May 15, 2012 and May 16, 2013.

**2. Clearing Systems**

It is expected that the Notes will be accepted for clearance through Euroclear (the address being; 1 Boulevard du Roi Albert II B-1210 Brussels, Belgium) and Clearstream (the address being; Luxembourg, 42 avenue JP Kennedy, L-1855 Luxembourg). A Common Code and ISIN number will be contained in the applicable Final Terms. If the Notes are to be cleared through an additional or Alternative Clearing System, the appropriate information will be specified in the applicable Final Terms.

**3. Listing**

Application has been made to the UK Listing Authority for Notes issued under the Program to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market.

**4. Documents Available**

For the period of 12 months following the date of this Base Prospectus, copies of the documents described below will, where published, be available from the specified office of the Principal Agent.

As long as any Notes remain outstanding, copies of the Amended and Restated Certificate of Incorporation of the Issuer, as amended, the Bylaws of the Issuer, as amended, the 2012 Form 10-K Annual Report, the First Quarter 2013 Form 10-Q Quarterly Report, any Current Report on Form 8-K of the Issuer filed with the SEC after December 31, 2012, the Agency Agreement, and the Program Agreement will be available without charge at the office of the Principal Agent. Copies of the Base Prospectus, any supplements to the Base Prospectus and the applicable Final Terms with respect to a Tranche of Notes also will be available without charge at the office of the Principal Agent. However, the applicable Final Terms relating to an unlisted Note only will be available for inspection by a Noteholder upon proof satisfactory to the Principal Agent as to ownership of the Note.

**5. Significant Change and Material Adverse Change**

There has been no significant change in the financial or trading position of the Issuer on a consolidated basis since March 31, 2013 which is the date of the most recently published financial statements of the Issuer.

There has been no material adverse change in the prospects of the Issuer on a consolidated basis since December 31, 2012.

**6. Litigation and Regulatory Matters**

Save as disclosed in (i) the section entitled "Litigation and Regulatory Matters" on pages 229 to 238, being the Litigation and Regulatory Matters section in Note 13 to the Consolidated Financial Statements, of the 2012 Form 10-K Annual Report and (ii) the section entitled "Recent Events" on pages 6 to 8 and the section entitled "Litigation and Regulatory Matters" on pages 200 to 203, being the Litigation and Regulatory Matters section in Note 11 to the Consolidated Financial Statements, of the First Quarter 2013 Form 10-Q Quarterly Report, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer and its subsidiaries on a consolidated basis.

#### 7. **Independent Registered Public Accounting Firm**

The financial statements of the Issuer as of December 31, 2012 and December 31, 2011 and for each of the three years in the period ended December 31, 2012, which are incorporated by reference in this Base Prospectus have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm with respect to the Issuer within the meaning of the applicable rules and regulations adopted by the SEC and the Public Company Accounting Oversight Board (United States), as stated in their report incorporated therein. PricewaterhouseCoopers LLP is a member of the American Institute of Certified Public Accountants and is registered with the Public Company Accounting Oversight Board (United States).

#### 8. **Post-issuance Information**

The Issuer does not intend to provide any post-issuance information in relation to any issue of Notes. However, the Issuer may prepare one or more supplements to this Base Prospectus to reflect, among other things, developments in its business or affairs.

#### 9. **Yield**

In relation to a Tranche of Fixed-Rate Notes, an indication of yield will be specified in the applicable Final Terms. The yield will be calculated at the Issue Date on the basis of the Issue Price, using the Formula below. It will not be an indication of future yield.

$$P = \frac{C}{r}(1 - (1 + r)^{-n}) + A(1 + r)^{-n}$$

Where:

"P" is the Issue Price of the Notes;

"C" is the annualised Interest Amount;

"A" is the redemption amount of Notes

"n" is time to maturity in years; and

"r" is the annualised yield.

ANNEX A

FORM OF RETAIL FINAL TERMS FOR NOTES

Final Terms dated [ ]

**BANK OF AMERICA CORPORATION**

***Issue of [Aggregate Nominal Amount of Tranche of Notes] [Title of Notes] under the  
U.S.\$65,000,000,000  
Bank of America Corporation Euro Medium-Term Note Program***

Any person making or intending to make an offer of the Notes may only do so[

- i. in the Public Offer Jurisdiction[s] mentioned in Paragraph [38] of Part A below, provided such person is one of the persons mentioned in Paragraph [38] of Part A below and that such offer is made during the Offer Period specified for such purpose therein; or
- ii. otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Member State of the European Economic Area (each a "**Relevant Member State**")) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

**PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") as set forth in the Base Prospectus dated May 20, 2013 ([as supplemented by the supplemental Base Prospectus[es] dated [ ],] the "**Base Prospectus**"), which [together] constitute[s] a base prospectus for the purposes of 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 Base Prospectus. 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 Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus is available for viewing during normal business hours at 5 Canada Square, London E14 5AQ, United Kingdom and [http://www.rns-pdf.londonstockexchange.com/rns/5647D\\_1-2012-5-17.pdf](http://www.rns-pdf.londonstockexchange.com/rns/5647D_1-2012-5-17.pdf) and copies may be obtained from Bank of America Corporation, Bank of America Corporate Center, NC1-007-06-10, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, U.S.A., Attention: Corporate Treasury – Global Transaction Management.

- 1. Issuer: Bank of America Corporation
- 2. (i) Series Number: [ ]
- (ii) Tranche Number: [ ]
- 3. Specified Currency: [ ]
- 4. Aggregate Nominal Amount of Notes:
  - (i) Series: [ ]
  - (ii) Tranche: [ ]

5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6. Specified Denominations: [ ]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [ ] [Issue Date] [Not Applicable]
8. Maturity Date: [ ]/[Interest Payment Date falling in or nearest to [ ]]
9. Interest Basis: [Fixed-Rate]  
[Floating-Rate]  
[Fixed/Floating-Rate]  
[Range Accrual]  
[Inverse Floating-Rate]  
[Zero Coupon]  
[(see paragraph[s] [16] [17] [18] [19] [20] [21] below)]
10. Change of Interest Basis: [[Fixed Rate to Floating Rate]  
[Floating Rate to Fixed Rate]  
(see paragraph 18 below)] [Not Applicable]
11. Redemption/Payment Basis: [Redemption at par]
12. Put/Call Options: [Issuer Call Option (see paragraph 22 below)]  
[Investor Put Option (see paragraph 23 below)]  
[Not Applicable]
13. Automatic Early Redemption: [Applicable (see paragraph 24 below)] [Not Applicable]
14. (i) Status of the Notes: [Senior][Subordinated]
- (ii) [Date of [Board] approval for issuance of Notes obtained:] [ ] [Not Applicable]
15. Method of Distribution: [Syndicated][Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed-Rate Note Provisions: [Applicable] [Not Applicable]
- (i) Rate(s) of Interest: [[ ] per cent. per annum [payable [annually] [semi annually] [quarterly] [monthly] in arrear]
- [As specified below [payable [annually] [semi annually] [quarterly] [monthly] in arrear]]

[Fixed Interest Period End Date	Rate of Interest (Step Up) (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

[ ]	[ ]
-----	-----

- (ii) Fixed Interest Payment Date(s): [Subject to exercise of the Issuer Rate Change Option][ ] in each year, from, and including [ ] up to, and including, [ ] [ ]
- The Fixed Interest Period shall not be adjusted.
- (iii) Fixed Coupon Amount(s): [[ ] per [ ] in nominal amount] [Not Applicable]
- (iv) Broken Amount(s): [[ ] payable on [ ]] [Not Applicable]
- (v) Fixed Day Count Fraction: [30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]
- (vi) Determination Date(s): [[ ] in each year] [Not Applicable]
17. Floating-Rate Note Provisions: [Applicable] [Not Applicable]
- (i) Interest Payment Date(s): [Subject to exercise of the Issuer Rate Change Option][ ] in each year, from, and including, [ ] to, and including, [ ] [ ]
- [Adjusted] [Unadjusted]
- (ii) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Center(s) (Condition 4(b)): [ ] [Not Applicable]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination] [ISDA Determination]
- (v) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]
- (vi) Screen Rate Determination: [Applicable] [Not Applicable]
- Reference Rate: [EURIBOR][LIBOR][Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Interest Determination Date(s): [In respect of each Interest Period, the [ ] [second] Banking Day prior to the start of such Interest Period] [ ]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Center [ ]
- (vii) ISDA Determination: [Applicable][Not Applicable]

- Floating-Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]
- Floating Rate Option Fallback Amendment: [Applicable] [Not Applicable]

(viii) Margin(s): [[+/-] [ ] per cent. per annum] [Not Applicable]

Interest Period End Date	Margin (Step Up) (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

(ix) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]

(x) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]

(xi) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
 [Actual/Actual (ICMA)]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360 or 360/360 or Bond Basis]  
 [30E/360 or Eurobond Basis]  
 [30E/360 (ISDA)]

18. Fixed/Floating-Rate Notes: [Applicable] [Not Applicable]

(i) Initial Rate of Interest: [Fixed Rate][Floating Rate]

(ii) Subsequent Rate of Interest: [Fixed Rate][Floating Rate]

(iii) Rate Change Date(s): [Fixed Interest Period End Date][Interest Period End Date] [ ]

(iv) Fixed Interest Period End Date: [ ] [Not Applicable]

(v) Interest Period End Date: [ ] [Not Applicable]

(vi) Issuer Rate Change Option: [Applicable][Not Applicable]

19. Range Accrual Note Provisions: [Applicable] [Not Applicable]

(i) Interest Payment Date(s): [[ ] in each year, from (and including) [ ] to (and including) [ ] [ ]

[Adjusted] [Unadjusted]

- (ii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Center(s) (Condition 4(b)): [ ] [Not Applicable]
- (iv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]
- (v) Specified Fixed Rate: [ ]
- (vi) Single Range Accrual Note: [Applicable] [Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]
  - Cap: [[ ] per cent. per annum][Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to] [greater than] shall apply]
- Floor: [ ] per cent. per annum][Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to] [less than] shall apply]
- (vii) Dual Range Accrual Note: [Applicable][Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]
  - Cap: [[ ] per cent. per annum][Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to] [greater than] shall apply]

- Floor: [ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to] [less than] shall apply]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center [ ]
  - Cap: [[ ] per cent. per annum][Not Applicable]  
For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to] [greater than] shall apply]
  - Floor: [ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to] [less than] shall apply]
- (viii) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (ix) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (x) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]  
[30E/360 or Eurobond Basis]  
[30E/360 (ISDA)]
- 20. Inverse Floating-Rate Note Provisions: [Applicable] [Not Applicable]
  - (i) Interest Payment Date(s): [[ ] in each year, from (and including) [ ] to (and including) [ ] [ ]]  
[Adjusted] [Unadjusted]
  - (ii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention]  
[Preceding Business Day Convention] [Not Applicable]
  - (iii) Additional Business Center(s) [ ] [Not Applicable]  
(Condition 4(b)):

(iv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]

(v) Specified Fixed Rate:

Interest Period End Date	Specified Fixed Rate (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

(vi) Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]

- Specified Maturity: [ ] [month[s]] [year[s]]

- Relevant Screen Page: [ ]

- Relevant Time: [ ] [As specified in Condition 4(c)(i)]

- Relevant Financial Center: [ ]

- Interest Determination Date(s): [In respect of each Interest Period, the [second] [ ] Banking Day prior to the start of such Interest Period] [ ]

(vii) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]

(viii) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]

(ix) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]

21. Zero Coupon Note Provisions: [Applicable][Not Applicable]

(i) Accrual Yield: [ ] per cent. per annum

(ii) Reference Price: [ ]

(iii) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360] [Actual/360] [Actual/365 (Fixed)]

**PROVISIONS RELATING TO REDEMPTION**

22. Issuer Call Option: [Applicable] [Not Applicable]

- (i) Optional Redemption Date(s): [Each Fixed Interest Payment Date from (and including) [ ] to (and including), [ ]] [Each Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date scheduled to fall on [ ]]
- (ii) Optional Redemption Amount(s) of each Note: [[ ] per Note of [ ] Specified Denomination] [Condition 6(e)(ii) applies]
- (iii) If redeemable in part: [ ] [Not Applicable]
- (a) Minimum Redemption Amount: [ ]
- (b) Higher Redemption Amount: [ ]
- (iv) Notice period: Minimum period: [ ] Business Days
23. Investor Put Option: [Applicable] [Not Applicable]
- (i) Optional Redemption Date(s): [Each Fixed Interest Payment Date from (and including) [ ] to (and including), [ ]] [Each Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date scheduled to fall on [ ]]
- (ii) Optional Redemption Amount(s) of each Note: [[ ] per Note of [ ] Specified Denomination] [Condition 6(e)(ii) applies]
- (iii) Notice period: Minimum period: [ ] Business Days
24. Automatic Early Redemption [Applicable] [Not Applicable]
- (i) Automatic Early Redemption Date: [Each Interest Payment Date, commencing on the Interest Payment Date scheduled to fall on [ ] to (and including) the Interest Payment Date scheduled to fall on [ ]]
- (ii) Automatic Early Redemption Observation Date(s): The [fifth] [ ] Business Day in the Relevant Financial Center prior to an Automatic Early Redemption Date] [ ]
- (iii) Automatic Early Redemption Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
- Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]

- (iv) Automatic Early Redemption Trigger Level: [ ] per cent. per annum
- [For the purpose of the definition of "Automatic Early Redemption Event" in Condition 6(c)(ii), [greater than or equal to] [greater than] [less than or equal to] [less than] shall apply.]
25. Final Redemption Amount of each Note: [ ] per Note of [ ] Specified Denomination
26. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default or other early redemption: [[ ] per Note of [ ] Specified Denomination]
- (i) Condition 6(e)(ii): [Applicable] [Not applicable]
- (ii) Reference Price: [ ]
- (iii) Accrual Yield: [[ ] per cent. per annum]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

27. Form of Notes: [Registered Notes]
- [Registered Global Note exchangeable for Registered Definitive Notes in the limited circumstances specified in the Registered Global Note]
- [Registered Notes in definitive form]
28. Payment Business Day Convention: [Following] [Modified Following]
29. Additional Financial Center(s): [None] [ ] [(and for the avoidance of doubt [ ] [London] and [New York])]
30. Payment Disruption Event: [Applicable] [Not Applicable]
- (i) Base Currency: [ ]
- (ii) Subject Currency [ ]
31. CNY Payment Disruption Event: [Applicable] [Not Applicable]
- (i) CNY Settlement Center: [The Hong Kong Special Administrative Region] [ ]
- (ii) Base Currency: [ ]
- (iii) Subject Currency: [ ]
- (iv) Payment of Equivalent Amount: [Applicable] [Not Applicable]
32. Redenomination provisions: [Applicable][Not Applicable]

33. JPY Rounding: [Applicable][Not Applicable]  
 - JPY Rounding Down: [Applicable][Not Applicable]  
 - JPY Rounding Up: [Applicable][Not Applicable]

**DISTRIBUTION**

34. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable] [ ]  
 (ii) Date and material features of [Subscription] Agreement: [Not Applicable] [ ]
35. If non-syndicated, name and address of relevant Dealer: [Not Applicable] [ ]  
 [Merrill Lynch International  
 2 King Edward Street  
 London EC1A 1HQ  
 United Kingdom]
36. Total commission and concession: [[ ] per cent. of the Aggregate Nominal Amount][Not Applicable]
37. U.S. Selling Restrictions: Regulation S Compliance Category: 2; TEFRA D not applicable
38. Public Offer: [Not Applicable][An offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in the [United Kingdom] [Austria] [Belgium] [Bulgaria] [Cyprus] [Czech Republic] [Denmark] [Estonia] [Finland] [France] [Germany] [Greece] [Hungary] [Iceland] [Ireland] [Italy] [Latvia] [Lithuania] [Luxembourg] [Malta] [Netherlands] [Norway] [Poland] [Portugal] [Romania] [Slovenia] [Slovakia] [Spain] [Sweden] ("**Public Offer Jurisdiction[s]**") during the period from [(and including)] [ ] to [(and including)] [ ] ("**Offer Period**") by [the/each] [Dealer/Manager] [and the following financial intermediary(ies):][.]]  
 [Name and address of financial intermediary(ies):  
 (together, [with the [Dealer[s]/Manager[s]], the "**Initial Authorised Offerors**")]  
 See further Paragraph [8] of Part B below.
39. Other Conditions to Consent: [ ] [Not Applicable]

**THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Acknowledged and accepted by:

Bank of America Corporation

By: .....

Name: .....

Title: .....

**PART B - OTHER INFORMATION**

1. **LISTING AND ADMISSION TO TRADING** [Application has been 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 admission to the Official List of the UK Listing Authority with effect from [ ].] [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 admission to the Official List of the UK Listing Authority with effect from [ ].] [Not Applicable]
2. **RATINGS** [The Notes to be issued [have been][are expected to be] rated]: [ ] by [ ].] [The Notes are not rated.]
3. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE** Save for any fees payable to [the]/[each] [Manager] [Dealer], 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**
- (i) Reason for the offer: [ ]
- (ii) Estimated net proceeds: [ ]
- (iii) Estimated total expenses: [ ]
5. **[YIELD (Fixed-Rate Notes only) Indication of yield:]** The yield is [ ] [per cent. per annum at maturity]
6. **[HISTORIC INTEREST RATES)]** [Details of historic [LIBOR] [EURIBOR] [Constant Maturity Swap] rates can be obtained from [Reuters]]
7. **OPERATIONAL INFORMATION**
- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme, the relevant address(es) and the relevant identification number(s): [Not Applicable] [ ]
- (iv) Names and addresses of initial Paying Agent(s) (if any): [ ] [Not Applicable]
- (v) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities

depositories ("**ICSDs**") as Common Safekeeper, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, in respect of Registered Global Notes that are held under the New Safekeeping Structure for registered global securities and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

(vi) Delivery: Delivery [against] [free of] payment

(vii) Names and addresses of [ ] additional Paying Agent(s) (if any):

8. **[TERMS AND CONDITIONS OF THE OFFER]**

Offer Price: [Issue Price.] [ ] [The/Each] Authorised Offeror (as defined below) will offer and sell the Notes to their customers in accordance with arrangements in place between [the/such] Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.

Conditions to which the offer is subject: [Offers of Notes are conditional on their issue and are subject to [ ]. As between [the/each] Authorised Offeror and its customers, offers of the Notes are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]

Description of the application process: [An Investor (as defined in the Summary) will purchase the Notes in accordance with the arrangements in place between the relevant Authorised Offeror[s] and its customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Notes.]

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not Applicable] [ ]

Details of the minimum and/or maximum amount of application: There are no pre-identified allotment criteria. The Authorised Offeror will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations [and/or as otherwise agreed between them].

Details of the method and time limits for paying up and delivering the Notes: [The Notes will be purchased by [the/each] Authorised Offeror from the Issuer on a delivery [against][free of] payment basis on the Issue Date.

	Prospective Investors will be notified by the [relevant] Authorised Offeror[s] of their allocations of Notes and the settlement arrangements in respect thereof.]
Manner in and date on which results of the offer are to be made public:	[Not Applicable] [ ]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] [ ]
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] [ ]
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[Prospective Investors will be notified by the relevant Authorised Offeror[s] in accordance with the arrangements in place between the relevant Authorised Offeror and its customers. Any dealings in the Notes that takes place will be at the risk of the prospective Investor.]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] [ ]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[The Initial Authorised Offeror[s] identified in paragraph [38] of Part A above [and any additional financial intermediaries who have or who obtain the Issuer's consent to use the Base Prospectus in connection with the Public Offer (as defined in the Summary) and who are identified on the website of the Issuer as an Authorised Offeror] (together, the " <b>Authorised Offerors</b> ")]
Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates:	[Not Applicable] [ ]

**ANNEX**

**SUMMARY OF THE NOTES**

[ ]

## ANNEX B

## FORM OF WHOLESALE FINAL TERMS FOR NOTES

Final Terms dated [ ]

## BANK OF AMERICA CORPORATION

*Issue of [Aggregate Nominal Amount of Tranche of Notes] [Title of Notes] under the  
U.S.\$65,000,000,000  
Bank of America Corporation Euro Medium-Term Note Program*

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Member State of the European Economic Area (each a "**Relevant Member State**")) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

## PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") as set forth in the Base Prospectus dated May 20, 2013 ([as supplemented by the supplemental Base Prospectus[es] dated [ ],] the "**Base Prospectus**"), which [together] constitute[s] a base prospectus for the purposes of 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 Base Prospectus. 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 Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus is available for viewing during normal business hours at 5 Canada Square, London E14 5AQ, United Kingdom and [http://www.rns-pdf.londonstockexchange.com/rns/5647D\\_1-2012-5-17.pdf](http://www.rns-pdf.londonstockexchange.com/rns/5647D_1-2012-5-17.pdf) and copies may be obtained from Bank of America Corporation, Bank of America Corporate Center, NC1-007-06-10, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, U.S.A., Attention: Corporate Treasury – Global Transaction Management.

- |    |                                    |  |
|----|------------------------------------|--|
| 1. | Issuer:                            | Bank of America Corporation  |
| 2. | (i) Series Number:                 | [ ]  |
|    | (ii) Tranche Number:               | [ ]  |
| 3. | Specified Currency:                | [ ]  |
| 4. | Aggregate Nominal Amount of Notes: |  |
|    | (i) Series:                        | [ ]  |
|    | (ii) Tranche:                      | [ ]  |
| 5. | Issue Price:                       | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]] |
| 6. | Specified Denominations:           | [ ]  |

7. (i) Issue Date: [ ]  
 (ii) Interest Commencement Date: [ ] [Issue Date] [Not Applicable]
8. Maturity Date: [ ] [Interest Payment Date falling in or nearest to [ ]]
9. Interest Basis: [Fixed-Rate]  
 [Floating-Rate]  
 [Fixed/Floating-Rate]  
 [Range Accrual]  
 [Inverse Floating-Rate]  
 [Zero Coupon]  
 [(see paragraph[s] [16][17][18][19][20][21] below)]
10. Change of Interest Basis: [[Fixed Rate to Floating Rate]  
 [Floating Rate to Fixed Rate]  
 (see paragraph 18 below)] [Not Applicable]
11. Redemption/Payment Basis: [Redemption at par]
12. Put/Call Options: [Issuer Call Option (further particulars specified below)] [Investor Put Option (further particulars specified below)] [Not Applicable]
13. Automatic Early Redemption: [Applicable (see paragraph 24 below)] [Not Applicable]
14. (i) Status of the Notes: [Senior][Subordinated]  
 (ii) [Date of [Board] approval for issuance of Notes obtained:] [ ] [Not Applicable]
15. Method of Distribution [Syndicated][Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed-Rate Note Provisions: [Applicable] [Not Applicable]  
 [(i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually] [semi annually] [quarterly] [monthly] in arrear]]  
 [As specified below [payable [annually] [semi annually] [quarterly] [monthly] in arrear]]

[Fixed Interest Period End Date]	Rate of Interest (Step Up) (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

- 
- (ii) Fixed Interest Payment Date(s): [Subject to exercise of the Issuer Rate Change Option][ ] in each year, from, and including [ ] up to, and including Maturity Date [ ]
- The Fixed Interest Period shall not be adjusted.
- (iii) Fixed Coupon Amount(s): [ ] per [ ] in nominal amount] [Not Applicable]
- (iv) Broken Amount(s): [ ] payable on [ ] [Not Applicable]
- (v) Fixed Day Count Fraction: [30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]
- (vi) Determination Date(s): [ ] in each year] [Not Applicable]
17. Floating-Rate Note Provisions: [Applicable] [Not Applicable]
- (i) Interest Payment Date(s): [Subject to exercise of the Issuer Rate Change Option][ ] in each year, from, (and including) [ ] to, (and including) [ ] [ ]
- [Adjusted] [Unadjusted]
- (ii) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Center(s) (Condition 4(b)): [ ] [Not Applicable]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination] [ISDA Determination]
- (v) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]
- (vi) Screen Rate Determination: [Applicable] [Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Interest Determination Date(s): [in respect of each Interest Period, the [ ] [second] Banking Day prior to the start of such Interest Period ] [ ]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Center: [ ]
- (vii) ISDA Determination: [Applicable][Not Applicable]
- Floating-Rate Option: [ ]

- Designated Maturity: [ ]
- Reset Date: [ ]
- Floating Rate Option Fallback Amendment: [Applicable] [Not Applicable]
- (viii) Margin(s): [[+/-] [ ] per cent. per annum] [Not Applicable]

[Interest Period End Date]	Margin (Step Up) (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

- (ix) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (x) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (xi) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]  
[30E/360 or Eurobond Basis]  
[30E/360 (ISDA)]
- 18. Fixed/Floating-Rate Notes: [Applicable][Not Applicable]
  - (i) Initial Rate of Interest: [Fixed Rate][Floating Rate]
  - (ii) Subsequent Rate of Interest: [Fixed Rate][Floating Rate]
  - (iii) Rate Change Date(s): [Fixed Interest Period End Date] [Interest Period End Date] [ ]
  - (iv) Fixed Interest Period End Date: [ ] [Not Applicable]
  - (v) Interest Period End Date: [ ] [Not Applicable]
  - (vi) Issuer Rate Change Option: [Applicable]/[Not Applicable]
- 19. Range Accrual Note Provisions: [Applicable] [Not Applicable]

- (i) Interest Payment Date(s): [[ ] in each year, from (and including) [ ] to (and including) [ ] [ ]  
[Adjusted] [Unadjusted]
- (ii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Center(s) (Condition 4(b)): [ ] [Not Applicable]
- (iv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]
- (v) Specified Fixed Rate [ ]
- (vi) Single Range Accrual Note: [Applicable] [Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]
  - Cap: [[ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to][greater than] shall apply.]
  - Floor: [ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to][less than] shall apply.]
- (vii) Dual Range Accrual Note: [Applicable][Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]

- Cap: [[ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to][greater than] shall apply.]
- Floor: [ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to][less than] shall apply.]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ] [As specified in Condition 4(c)(i)]
- Relevant Financial Center: [ ]
- Cap: [[ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to][greater than] shall apply.]
- Floor: [ ] per cent. per annum][Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to][less than] shall apply.]
- (viii) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (ix) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (x) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]  
[30E/360 or Eurobond Basis]  
[30E/360 (ISDA)]
- 20. Inverse Floating-Rate Note Provisions: [Applicable] [Not Applicable]
- (i) Interest Payment Date(s): [[ ] in each year, from (and including) [ ] to (and including) [ ] ]]  
[Adjusted] [Unadjusted]

- (ii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Center(s) (Condition 4(b)): [ ] [Not Applicable]
- (iv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]
- (v) Specified Fixed Rate:

Interest Period End Date	Specified Fixed Rate (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

- (vi) Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]
  - Interest Determination Date(s): [In respect of each Interest Period, the [ ] [second][Banking Day prior to the start of such Interest Period][ ]
- (vii) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (viii) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (ix) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]

21. Zero Coupon Note Provisions: [Applicable] [Not Applicable]

- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]

- (ii) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360]  
[Actual/360]  
[Actual/365 (Fixed)]

**PROVISIONS RELATING TO REDEMPTION**

22. Issuer Call Option: [Applicable] [Not Applicable]
- (i) Optional Redemption Date(s): [Each Fixed Interest Payment Date from (and including) [ ] to (and including), [ ]]  
[Each Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date scheduled to fall on [ ]][ ]
- (ii) Optional Redemption Amount(s) of each Note: [ ] per Note of [ ] Specified Denomination [Condition 6(e)(ii) applies]
- (iii) If redeemable in part: [ ]
- (a) Minimum Redemption Amount: [ ]
- (b) Higher Redemption Amount: [ ]
- (iv) Notice period: Minimum period: [ ] Business Days
23. Investor Put Option: [Applicable] [Not Applicable]
- (i) Optional Redemption Date(s): [Each Fixed Interest Payment Date from (and including) [ ] to (and including), [ ]]  
[Each Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date scheduled to fall on [ ]][ ]
- (ii) Optional Redemption Amount(s) of each Note: [ ] per Note of [ ] Specified Denomination [Condition 6(e)(ii) applies]
- (iii) Notice period: Minimum period: [ ] Business Days
24. Automatic Early Redemption [Applicable] [Not Applicable]
- (i) Automatic Early Redemption Date(s): [Each Fixed Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date schedule to fall on [ ]][ ]
- (ii) Automatic Early Redemption Observation Date(s): The [fifth][ ] Business Day in the Relevant Financial Center prior to an Automatic Early Redemption Date [ ]
- (iii) Automatic Early Redemption Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]

- Relevant Time: [ ] [(As specified in Condition 4(c)(i))]
- Relevant Financial Center: [ ]
- (iv) Automatic Early Redemption Trigger Level: [ ] per cent. per annum  
 For the purpose of the definition of "Automatic Early Redemption Event" in Condition 6(c)(ii), [greater than or equal to][greater than][less than or equal to][less than] shall apply.]
- 25. Final Redemption Amount of each Note: [ ] per Note of [ ] Specified Denomination
- 26. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default or other early redemption: [[ ] per Note of [ ] Specified Denomination]
- (i) Condition 6(e)(ii): [Applicable] [Not applicable]
- (ii) Reference Price: [ ]
- (iii) Accrual Yield: [ ]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 27. Form of Notes: [Registered Notes]  
 [Registered Global Note exchangeable for Registered Definitive Notes in the limited circumstances specified in the Registered Global Note]  
 [Registered Notes in definitive form]
- 28. Payment Business Day Convention: [Following] [Modified Following]
- 29. Additional Financial Center(s): [None] [ ] [and for the avoidance of doubt [ ] [London] and [New York]]
- 30. Payment Disruption Event: [Applicable] [Not Applicable]
- (i) Base Currency: [ ]
- (ii) Subject Currency: [ ]
- 31. CNY Payment Disruption Event: [Applicable] [Not Applicable]
- (i) CNY Settlement Center: [The Hong Kong Special Administrative Region] [ ]
- (ii) Base Currency: [ ]
- (iii) Subject Currency: [ ]
- (iv) Payment of Equivalent Amount: [Applicable] [Not Applicable]
- 32. Redenomination provisions: [Applicable][Not Applicable]

33. JPY Rounding: [Applicable] [Not Applicable]  
 - JPY Rounding Down: [Applicable] [Not Applicable]  
 - JPY Rounding Up: [Applicable] [Not Applicable]

**DISTRIBUTION**

34. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable] [ ]  
 (ii) Date and material features of [Subscription] Agreement: [ ]
35. If non-syndicated, name and address of relevant Dealer: [Not Applicable] [ ]
36. Total commission and concession: [[ ] per cent. of the Aggregate Nominal Amount] [Not Applicable]
37. U.S. Selling Restrictions: Regulation S Compliance Category: 2; TEFRA D not applicable

**THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Acknowledged and accepted by:

Bank of America Corporation

By: .....

Name: .....

Title: .....

**PART B - OTHER INFORMATION**

1. **LISTING AND ADMISSION TO TRADING**
- (i) Listing: [Application has been 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 admission to the Official List of the UK Listing Authority with effect from [ ].]  
[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 admission to the Official List of the UK Listing Authority with effect from [ ].]
- (ii) Estimate of total expenses related to admission to trading: [ ]
2. **RATINGS** [The Notes to be issued [have been][are expected to be] rated]: [ ] by [ ].] [The Notes are not rated.]
3. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE** Save for any fees payable to the [Managers] [Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.
4. **[YIELD (Fixed Rate Notes Only) Indication of Yield:]** The yield is [ ] [per cent. Per annum at maturity]
5. **HISTORIC INTEREST RATES** [Details of historic [LIBOR] [EURIBOR] [Constant Maturity Swap] rates can be obtained from [Reuters]]
6. **OPERATIONAL INFORMATION**
- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme, the relevant address(es) and the relevant identification number(s): [Not Applicable]  
[ ]
- (iv) Names and addresses of initial Paying Agent(s) (if any): [ ] [Not Applicable]
- (v) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]  
[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositories ("ICSDs") as Common Safekeeper, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, in respect of Registered Global Notes that are held under the New Safekeeping Structure for registered global securities and does not necessarily mean that the Notes will be recognized

as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

- (v) Delivery: Delivery [against] [free of] payment
- (vi) Names and addresses of [ ] additional Paying Agent(s) (if any):

**ANNEX**

**SUMMARY OF THE NOTES**

[ ]

## OFFERING CIRCULAR – NON-PD NOTES

**PAGES 113 TO 162 OF THIS DOCUMENT COMPRISE AN OFFERING CIRCULAR (THE "OFFERING CIRCULAR") IN RESPECT OF NOTES WHICH ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE UK LISTING AUTHORITY OR OFFERED TO THE PUBLIC IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("NON-PD NOTES"). THE OFFERING CIRCULAR HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF ARTICLES 5.4 OF DIRECTIVE 2003/71/EC, AS AMENDED.**

The Offering Circular is to be read in conjunction with the following sections of the Base Prospectus:

- Summary of the Program
- Risk Factors
- Incorporation by Reference
- Use of Proceeds
- Bank of America Corporation
- Government Supervision and Regulation
- Selected Financial Data
- Form of the Notes
- United States Taxation
- United Kingdom Taxation
- European Union Directive on Taxation of Savings Income
- The European Commission's Proposal for a Financial Transaction Tax
- Subscription and Sale
- General Information

Each of the above sections of the Base Prospectus shall be deemed to be incorporated by reference herein.

Under the Program, the Issuer periodically may issue Non-PD Notes denominated in any currency (subject to compliance with all applicable legal and regulatory requirements relating to such currency) and having terms and conditions as may be agreed upon between the Issuer and the relevant Dealers (as defined below). The Issuer will disclose such terms and conditions of the Non-PD Notes in a pricing supplement (the "**Pricing Supplement**").

The maximum principal amount of Non-PD Notes that may be outstanding at any one time under the Program will not exceed U.S.\$65,000,000,000, provided that the Issuer reserves the right to increase this amount in accordance with the terms of the Program Agreement (as defined below). The Non-PD Notes will not be listed.

The Non-PD Notes are unsecured and may be senior notes ("**Senior Notes**") or subordinated notes ("**Subordinated Notes**"). The Senior Notes will rank equally with all other unsecured and unsecured indebtedness of the Issuer. The Subordinated Notes will be subordinated and junior in right of payment to all Senior Indebtedness (as defined herein) of the Issuer (including the Senior Notes).

The Non-PD Notes will be issued on a continuing basis to one or more of the Dealers listed below and any additional Dealer appointed under the Program from time to time (each, a "**Dealer**" and together, the "**Dealers**").

Each Tranche of Non-PD Notes will be issued in registered form and will initially be represented by a registered global note ("**Registered Global Note**") or by a registered note in definitive form ("**Registered Definitive Note**"). One Registered Global Note or one Registered Definitive Note will be issued in respect of each Noteholder's entire holding of Non-PD Notes of one Series (as defined herein). The Registered Global Note will be delivered on or prior to the issue date of the relevant Tranche of Non-PD Notes to (1) a common safekeeper (the "**Common Safekeeper**") (if the Registered Global Note is intended to be held under the New Safekeeping Structure (the "**NSS**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), or any other clearing system located outside the United States and its possessions, specified by the Issuer and the Dealers (each, an "**Alternative Clearing System**" and each of Euroclear, Clearstream, Luxembourg, and any Alternative Clearing System being a "**Relevant Clearing System**"), or (2) a common depository (the "**Common Depository**") (if the Registered Global Note is not intended to be held under the NSS) on behalf of the Relevant Clearing System. Beneficial interests in a Registered Global Note will be exchangeable for Registered Definitive Notes only in limited circumstances, as further described in "Terms and Conditions of the Non-PD Notes".

*The Non-PD Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and, except as stated under "Subscription and Sale", may not be offered, sold, or delivered, directly or indirectly, in the United States of America, its territories, its possessions, and other areas subject to its jurisdiction (the "**United States**") or to a U.S. person (as defined in Regulation S under the Securities Act). The Non-PD Notes will be subject to certain restrictions on transfer - see "Subscription and Sale".*

The Non-PD Notes are unsecured and are not and will not be savings accounts, deposits, obligations of, or otherwise guaranteed by, Bank of America, N.A. ("**BANA**") or any other bank. The Non-PD Notes do not evidence deposits of BANA or any other banking affiliate of the Issuer and are not insured by the U.S. Federal Deposit Insurance Corporation (the "**FDIC**"), the Deposit Insurance Fund or any other insurer or governmental agency or instrumentality.

**The Non-PD Notes are subject to investment risks, including possible loss of the principal amount invested. See "Risk Factors" on pages 13 to 19 of the Base Prospectus.**

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any Dealer. This Offering Circular does not relate to any securities other than the Non-PD Notes or constitute an offer to any person in any jurisdiction where such offer would be unlawful. Delivery of this Offering Circular at any time does not imply that the information in this Offering Circular is correct as of any time subsequent to its date.

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty, or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any Pricing Supplement or any other information provided by the Issuer. The Dealers do not accept any liability in relation to the information contained in this Offering Circular or any Pricing Supplement or any other information provided by the Issuer in connection with the Program.

**The credit rating of a certain Tranche of Non-PD Notes to be issued under the Program may be specified in the applicable Pricing Supplement. Credit ratings and outlooks may be adjusted over time, and so there is no assurance that such credit ratings and outlooks will be effective after such date. A credit rating is not a recommendation to buy, sell or hold the Non-PD Notes.**

The price and amount of the Non-PD Notes to be issued under the Program will be determined by the Issuer and the relevant Dealers at the time of issue in accordance with prevailing market conditions.

Copies of the applicable Pricing Supplement will be available from the specified office set out below of each of the Paying Agents (as defined below).

Neither the delivery of this Offering Circular nor the offer, sale, or delivery of any Non-PD Notes shall imply in any circumstance that there has been no material adverse change, or any event reasonably

likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer or any of its subsidiaries since the date hereof.

Neither this Offering Circular nor any other information supplied in connection with the Program is intended to provide the basis of any credit or other evaluation, and any recipient of this Offering Circular should not consider such receipt to be a recommendation to purchase any Non-PD Notes. Each investor contemplating purchasing any Non-PD Notes should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular or to advise any investor or potential investor in the Non-PD Notes of any information coming to the attention of any of the Dealers.

No person should acquire any Non-PD Notes unless (i) that person understands the nature of the relevant transaction and the terms of the relevant Non-PD Notes and the extent of that person's exposure to potential loss, (ii) that person has a valid business purpose for acquiring Non-PD Notes, and (iii) any investment in Non-PD Notes is consistent with such person's overall investment strategy. Each potential investor should consider carefully whether any Non-PD Notes issued under the Program which it considers acquiring are suitable for it in the light of such prospective investor's investment objectives, financial capabilities, and expertise. See "Risk Factors" on pages 13 to 19 of the Base Prospectus.

Each potential investor in the Non-PD Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to evaluate the Non-PD Notes, the merits and risks of investing in the Non-PD Notes, and the information contained or incorporated by reference in this Offering Circular or any applicable supplement and all the information contained in the applicable Pricing Supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Non-PD Notes and the impact the Non-PD Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Non-PD Notes, including Non-PD Notes with amounts payable in one or more currencies, or where the Specified Currency (as defined herein) of the Non-PD Notes is different from the potential investor's currency;
- (iv) have knowledge of and access to appropriate analytical resources to analyze quantitatively the effect (or value) of any redemption, cap, floor, or other features of the Non-PD Notes, and the resulting impact upon the value of the Non-PD Notes;
- (v) understand thoroughly the terms of the Non-PD Notes and be familiar with any financial markets; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, and other factors that may affect its investment and its ability to bear the applicable risks.

Some Non-PD Notes are complex financial instruments. A potential investor should not invest in Non-PD Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how such Non-PD Notes will perform under changing conditions, the resulting effects on the value of those Non-PD Notes, and the impact this investment will have on the potential investor's overall investment portfolio.

The Non-PD Notes have not been, and will not be, registered under the Securities Act. The Non-PD Notes may not be offered, sold, or delivered within the United States or to U.S. persons, except as provided herein.

Neither this Offering Circular nor any Pricing Supplement constitute, nor may be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which that offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

The distribution of this Offering Circular and the offer of Non-PD Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor any of the Dealers represents that this Offering Circular may be lawfully distributed, or that any Non-PD Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any Dealer which would permit a public offering of any Non-PD Notes outside the European Economic Area or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Non-PD Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Non-PD Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Non-PD Notes in the United States, the European Economic Area, and certain other jurisdictions. See "Subscription and Sale" in the Base Prospectus.

The Issuer may use this Offering Circular in the initial sale of any Non-PD Notes. In addition, MLI or any other affiliate of the Issuer may use this Offering Circular in market-making transactions with respect to any Non-PD Notes after their initial sale.

Nothing herein should be considered to impose on the recipient of this Offering Circular any limitation on disclosure of the tax treatment or tax structure of the transactions or matters described herein.

**In connection with the issue of any Tranche of Non-PD Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms may over-allot Non-PD Notes or effect transactions with a view to supporting the market price of the Non-PD Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake any stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Non-PD Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche of Non-PD Notes and 60 calendar days after the date of the allotment of the relevant Tranche of Non-PD Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.**

In this Offering Circular, references to "U.S. Dollars", "\$", "U.S.\$", "U.S.D.", and "U.S. Cents" are to the currency of the United States of America, those to "Sterling", "Pounds Sterling", and "£" are to the currency of the United Kingdom, those to "Japanese Yen", "Yen", "JPY" and "¥" are to the currency of Japan, those to "EUR", "euro", and "€" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to Article 109g of the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam (as amended from time to time, the "EC Treaty"), those to "Australian Dollars" and "AUD" and to the lawful currency of Australia and those to "CNY" are to Chinese Renminbi (the lawful currency of the People's Republic of China) or to any lawful successor currency to Chinese Renminbi.

For the purposes of the issue of Non-PD Notes, the sections of the Base Prospectus incorporated by reference herein shall be amended as follows:

1. All references to the "Base Prospectus" shall be deemed to be references to the "Offering Circular".
2. All references to the "Final Terms" shall be deemed to be references to the "Pricing Supplement".

3. All references to "Notes" shall be deemed to be references to "Non-PD Notes".

## TERMS AND CONDITIONS OF THE NON-PD NOTES

*The following are the Terms and Conditions of the Non-PD Notes (the "Notes") and are referred to as the "Terms and Conditions" or the "Conditions" and each, a "Condition". The Terms and Conditions are incorporated by reference into each Registered Global Note (as defined below) and will be attached to or endorsed upon each Registered Definitive Note (as defined below), if any are issued. The applicable Pricing Supplement in relation to any Tranche of Notes (as defined below) may specify other terms and conditions, which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Pricing Supplement will be endorsed on, incorporated by reference into, or attached to, each Registered Global Note and Registered Definitive Note. The applicable Pricing Supplement in relation to any Tranche of Notes contains additional terms and conditions which will complete the Notes and is deemed to be incorporated by reference into such Notes.*

This Note is one of a series of Notes issued by Bank of America Corporation (the "**Issuer**"), pursuant to the Amended and Restated Agency Agreement dated as of May 20, 2013, as amended, restated and/or supplemented from time to time (the "**Agency Agreement**"), by and among the Issuer, Bank of America, N.A. (operating through its London Branch), as principal agent (the "**Principal Agent**") and Merrill Lynch International Bank Limited, as registrar (the "**Registrar**") and transfer agent (the "**Transfer Agent**"), which terms shall include any successor agents. Any other paying agents named pursuant to the Agency Agreement shall be referred to herein, together with the Principal Agent, as the "**Paying Agents**" (which term shall include any additional or successor paying agents) and any other transfer agents named pursuant to the Agency Agreement shall be referred to herein, together with the Transfer Agent, as the "**Transfer Agents**" (which term shall include any additional or successor transfer agents). References herein to the "**Notes**" shall be references to Notes of this Series (as defined below) and shall mean (1) in relation to any Registered Global Notes, units of the lowest denomination of such Notes (the "**Specified Denomination**") payable in one or more currencies (each, a "**Specified Currency**") and (2) Registered Definitive Notes, if any, issued in exchange for a Registered Global Note, and (3) any Registered Global Note. The Notes have the benefit of the Agency Agreement. Each Note will be the obligation of the Issuer only and will not be an obligation of, or guaranteed by, any subsidiaries or affiliates of the Issuer.

Unless otherwise agreed by the Issuer and the relevant dealers (each, a "**Dealer**" and together, the "**Dealers**"), and specified in the applicable Pricing Supplement, each tranche of Notes ("**Tranche of Notes**") will be issued in registered form and will initially be represented by a registered note in global form (a "**Registered Global Note**") or by a registered note in definitive form (a "**Registered Definitive Note**") substantially in the forms of Schedule 1 or Schedule 2 to the Agency Agreement, respectively, one Registered Global Note or one Registered Definitive Note being issued in respect of each Noteholder's entire holding of Registered Global Notes or Registered Definitive Notes of one Series (as defined herein).

Any reference herein to "**Noteholders**" shall mean the holders of the Notes, and, in relation to any Notes represented by a Registered Global Note, shall be construed as provided below.

Except as otherwise provided in the applicable Pricing Supplement, interests in a Registered Global Note will be exchangeable for Registered Definitive Notes if (1) an Event of Default (as defined herein) occurs and is continuing, (2) the Issuer is notified that Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or any other clearing system located outside the United States and its possessions, specified by the Issuer and the Dealers (each, an "**Alternative Clearing System**" and each of Euroclear, Clearstream, Luxembourg and any Alternative Clearing System being a "**Relevant Clearing System**") has been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory requirement, or otherwise) after the original issuance of the Notes or has announced an intention permanently to cease business or has in fact done so and no Alternative Clearing System approved by the Noteholders is available, or (3) the Issuer, after notice to the Principal Agent, determines to issue the Notes in definitive form. Each such exchange shall occur in whole, but not in part, for Registered Definitive Notes, in the applicable Specified Denomination, representing the full principal amount of the applicable Registered Global Note.

The Pricing Supplement for the Notes are attached hereto or endorsed hereon and complete these Terms and Conditions. References herein to the "**applicable Pricing Supplement**" are to the relevant Pricing Supplement attached hereto or endorsed hereon.

As used herein, "**Series**" means a Tranche of Notes, together with any further Tranche or Tranches of Notes, which are (1) expressly to be consolidated and form a single series and (2) identical in all respects (including as to listing) except for the date on which such Notes will be issued (the "**Issue Date**"), for interest-bearing Notes, the date from which such Notes bear interest (the "**Interest Commencement Date**"), which will be the Issue Date unless otherwise specified in the applicable Pricing Supplement, and the price (expressed as a percentage of the principal amount of the Notes) at which such Notes will be issued (the "**Issue Price**"). The expressions "**Notes of the relevant Series**" and "**holders of Notes of the relevant Series**" and related expressions shall be construed accordingly. As used herein, "**Tranche**" means Notes (whether in global form or definitive form) which are identical in all respects (including as to listing).

Copies of the Amended and Restated Program Agreement, dated as of May 20, 2013, among the Issuer and the Dealers named therein or appointed thereunder (as may be amended, restated and/or supplemented from time to time, the "**Program Agreement**"), and the Pricing Supplement applicable to the Notes are available for inspection without charge at, and copies may be obtained from, the specified offices of each of the Principal Agent and each Paying Agent, the Registrar and each Transfer Agent, except that the applicable Pricing Supplement relating to an unlisted Note only will be available for inspection by a Noteholder upon proof satisfactory to the relevant Paying Agent as to ownership of the Note. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Pricing Supplement, which are binding on them.

The calculation agent in respect of the Notes (the "**Calculation Agent**") will be specified in the applicable Pricing Supplement.

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

#### 1. **Form, Denomination, and Title**

The Notes are issued in registered form. Notes in definitive form, if any, are serially numbered, in the Specified Currency and the Specified Denominations as indicated in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination, or subdivided or reissued in a smaller denomination.

This Note may be a Note bearing interest on a fixed-rate basis (a "**Fixed-Rate Note**"), a Note bearing interest on a floating-rate basis (a "**Floating-Rate Note**"), a Note bearing interest from a fixed rate to a floating rate or from a floating rate to a fixed rate (a "**Fixed/Floating-Rate Note**"), a range accrual note (a "**Range Accrual Note**"), an inverse floating-rate note (an "**Inverse Floating-Rate Note**"), or a Note issued on a non-interest-bearing basis and offered and sold at a discount (other than a *de minimis* discount) to its principal amount or at par and to which the Zero Coupon Note provisions are expressed to be applicable (a "**Zero Coupon Note**"), depending upon the Interest Basis specified in the applicable Pricing Supplement.

This Note is either a Senior Note (as defined herein) or a Subordinated Note (as defined herein), as specified in the applicable Pricing Supplement.

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

So long as any of the Notes are represented by a Registered Global Note held on behalf of the Relevant Clearing System, each person who is shown in the records of the Relevant Clearing System as the holder of a particular nominal amount of such Notes (any certificate or other document issued by the Relevant Clearing System as to the nominal amount of Notes standing on the account of any person shall be conclusive and binding for all purposes, except in the case of manifest error) shall be treated by the Issuer, the Principal Agent, the Registrar, the Transfer Agent, and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes, except with respect to the payment of

principal, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, the Notes, the person or persons for the time being shown in the Register as at the Record Date maintained by the Registrar as the Noteholder or Noteholders, shall be treated by the Issuer, the Principal Agent, and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Registered Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Interests in Notes which are represented by a Registered Global Note will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

The Issuer will issue Notes in the Specified Denomination(s) set forth in the applicable Pricing Supplement. However, the minimum denomination permitted for each Note will be such denomination as may be allowed or required by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency.

Unless permitted by then current laws and regulations, any Notes (including Notes denominated in Sterling) for which the proceeds are to be accepted by the Issuer in the United Kingdom and which have a maturity of less than one year from their date of issue shall (a) be issued to a limited class of professional investors, (b) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than Sterling), and (c) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or an equivalent amount in other currencies).

## 2. **Exchange and Transfers of Notes**

### (a) ***Exchange of Notes***

In the case of an exchange of a Registered Global Note for one or more Registered Definitive Notes, the Registrar will reflect any such exchange on the Register and one or more new Registered Definitive Notes will be issued to the designated transferee or transferees.

### (b) ***Transfer of Notes***

Notes may be transferred upon the surrender (at the specified office of the Registrar or the Transfer Agent) of the Registered Global Note or Registered Definitive Note, as applicable, to be transferred together with the form of transfer endorsed on such Registered Global Note or Registered Definitive Note, as applicable, duly completed and executed by the person shown as the registered holder on the Register, or its attorney duly authorized in writing, and such other evidence as the Registrar or the Transfer Agent may reasonably require. The Registrar will reflect any such transfer on the Register in respect of the holding being transferred. In the case of the transfer of all of a holding of Notes represented by one Registered Global Note or Registered Definitive Note, as applicable, the Registrar will cancel the Registered Global Note or Registered Definitive Note, as applicable, surrendered by the transferor, and one new Registered Global Note or Registered Definitive Note, as applicable, will be issued to the designated transferee (following the transferee's surrender of any existing Registered Global Note or Registered Definitive Note, as applicable, in respect of Notes of that Series). In the case of a transfer of part only of a holding of Notes represented by one Registered Definitive Note, a new Registered Definitive Note will be issued to the designated transferee (following the transferee's surrender of any existing Registered Definitive Note in respect of Notes of that Series) and a further new Registered Definitive Note in respect of the balance of the holding not transferred shall be issued to the transferor. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of the Relevant Clearing System.

### (c) ***Exercise of Options or Partial Redemption in Respect of Notes***

In the case of an exercise of the Issuer's or a Noteholder's option in respect of, or a partial redemption of, a holding of Notes represented by Registered Global Note, the Registrar shall make such entries in the Register to reflect the exercise of such option or in respect of the balance of the holding not redeemed.

In the case of an exercise of the Issuer's or a Noteholder's option in respect of, or a partial redemption of, a holding of Notes represented by a single Registered Definitive Note, a new

Registered Definitive Note shall be issued to the Noteholder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Registered Definitive Notes shall be issued in respect of those Notes of that holding that have the same terms. New Registered Definitive Notes shall only be issued against surrender of the existing certificates to the Registrar or the Transfer Agent. In the case of a transfer of Registered Definitive Notes to a person who is already a holder of Notes, a new Registered Definitive Note representing the enlarged holding shall only be issued against surrender of the Registered Definitive Note representing the existing holding.

(d) ***Delivery of New Notes***

Each Registered Global Note or Registered Definitive Note, as applicable, to be issued pursuant to Condition 2(a), 2(b) or 2(c) shall be available for delivery within three business days after receipt of the request for exchange, form of transfer, in the case of a Registered Definitive Note, Put Notice (as defined herein), or surrender of the Registered Global Note or Registered Definitive Note, as applicable, for exchange or transfer, as applicable. Delivery of the new Registered Global Note or Registered Definitive Note, as applicable, shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, in the case of a Registered Definitive Note, Put Notice, or Registered Global Note or Registered Definitive Note, as applicable, shall have been made or, at the option of the Noteholder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, in the case of a Registered Definitive Note, Put Notice, or otherwise in writing, be mailed by uninsured mail at the risk of the Noteholder entitled to the new Registered Global Note or Registered Definitive Note, as applicable, to such address as may be so specified, unless such Noteholder requests otherwise and pays in advance to the Transfer Agent or Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the location of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) ***Exchange or Transfer Free of Charge***

Exchange and transfer of Notes on registration, transfer, partial redemption, or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar, or the Transfer Agent, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the Transfer Agent may require).

(f) ***Closed Periods***

No Noteholder may require the transfer of a Note to be registered (i) during the period commencing on the Record Date and ending on the due date for redemption of, or payment of any installment amount, or amount of interest, in respect of, that Note, (ii) during the period commencing on the Record Date and ending on the date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption, (iv) during the period commencing on the Record Date and ending on the date fixed for any meeting of Noteholders, or any adjourned meeting of Noteholders, or (v) during the period of seven calendar days ending on (and including) any Record Date.

"**Record Date**" means (i) in respect of any Registered Definitive Notes, the close of business (London time) on the 15th calendar day and (ii) in respect of any Registered Global Notes, the close of business on the Relevant Clearing System Business Day, in each case, prior to the applicable due date for redemption of a Note, or the payment of any installment amount or amount of interest in respect of a Note, or the date fixed for any meeting, or adjourned meeting, of holders of Notes, where "**Relevant Clearing System Business Day**" means a day on which the Relevant Clearing System is open for business.

3. **Status of the Senior Notes and the Subordinated Notes**

The Notes may be issued in one or more Series as unsecured debt securities, which may be either senior notes ("**Senior Notes**") or subordinated notes ("**Subordinated Notes**"). The Notes are not deposits and are not insured by the U.S. Federal Deposit Insurance Corporation (the "**FDIC**"), the Deposit Insurance Fund or any other insurer or governmental agency or instrumentality.

Under the Program, there is no limitation on the Issuer's ability to issue additional Senior Indebtedness (as defined below) or Subordinated Notes.

(a) ***Status of Senior Notes***

The Senior Notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally with all other unsubordinated and unsecured indebtedness of the Issuer. The Subordinated Notes are unsecured and subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Issuer.

"**Senior Indebtedness**" is defined as any indebtedness for money borrowed (including all indebtedness of the Issuer for borrowed and purchased money of the Issuer, all obligations arising from off-balance sheet guarantees by the Issuer and direct credit substitutes and obligations of the Issuer associated with derivative products such as interest and foreign exchange rate contracts and commodity contracts) that is outstanding on the date of execution of the Agency Agreement, or is thereafter created, incurred, or assumed, for which the Issuer is at the time of determination responsible or liable as obligor, guarantor, or otherwise for payment, and all deferrals, renewals, extensions, and refundings of any such indebtedness or obligations, other than the Subordinated Notes or any other indebtedness as to which the instrument creating or evidencing the same or pursuant to which the same is outstanding, provides that such indebtedness is subordinate in right of payment to any other indebtedness of the Issuer.

(b) ***Status of Subordinated Notes***

The indebtedness evidenced by the Subordinated Notes, subject to the extent set forth herein, shall be subordinated in right of payment to the prior payment in full of all the Issuer's Senior Indebtedness. Senior Indebtedness shall continue to be Senior Indebtedness and shall be entitled to the benefits of such subordination irrespective of any amendment, modification, or waiver of any term of the Senior Indebtedness. There is no right of acceleration in the case of a default in the payment of interest on the Subordinated Notes or in the performance of any other obligation of the Issuer under the Subordinated Notes.

The Issuer shall not make any payment on account of principal of, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, its Subordinated Notes or purchase any of its Subordinated Notes, either directly or indirectly, if (i) any default or Event of Default with respect to any of its Senior Indebtedness shall have occurred and be continuing and (ii) it shall have received written notice thereof from the holders of at least 10.00 per cent. in principal amount of any kind or category of any of its Senior Indebtedness (or the representative or representatives of such holders).

Until all of the Issuer's Senior Indebtedness is paid in full, the holders of the Subordinated Notes will be subrogated (equally and ratably with the holders of all of the Issuer's indebtedness which, by its express terms, ranks equally with its Subordinated Notes, and is entitled to like rights of subrogation) to the rights of the holders of the Issuer's Senior Indebtedness to receive payments or distributions of its assets.

If the Issuer repays any of its Subordinated Notes before the required date or in connection with a distribution of its assets to creditors pursuant to a dissolution, winding up, liquidation, or reorganization, any principal, premium, if any, interest, or any other amounts payable or deliveries due will be paid or delivered to the holders of the Issuer's Senior Indebtedness before any holders of its Subordinated Notes are paid. In addition, if such amounts were previously paid to the holders of the Subordinated Notes, the holders of its Senior Indebtedness shall have first rights to such amounts previously paid.

No modification or amendment of the subordination provisions of Subordinated Notes and any related coupons in a manner adverse to the holders of Senior Indebtedness may be made without the consent of the holders of all of the Issuer's outstanding Senior Indebtedness.

4. **Interest**

(a) ***Interest on Fixed-Rate Notes***

(i) ***Fixed Interest Periods and Fixed Interest Payment Dates***

Each Fixed-Rate Note bears interest on its outstanding nominal amount at the rate or rates per annum specified in the applicable Pricing Supplement from (and including) the Interest Commencement Date to (but excluding) the Maturity Date. Interest will be payable in arrear on the date or dates in each year specified in the applicable Pricing Supplement (each, a "**Fixed Interest Payment Date**") and on the Maturity Date if it does not fall on a Fixed Interest Payment Date. The first interest payment will, subject to Condition 6 and Condition 10, be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

If any Fixed Interest Payment Date is not a Payment Business Day (as defined in Condition 5(b)), then interest on a Fixed-Rate Note shall be paid as provided in Condition 5(b).

If a "**Fixed Coupon Amount**" is specified in the applicable Pricing Supplement, the amount of interest payable on each Fixed Interest Payment Date in respect of the Fixed Interest Period (as defined below) ending on (but excluding) such date will be the Fixed Coupon Amount as specified irrespective of any calculation based on the applicable Rate of Interest (as defined in Condition 4(f)) and any applicable Fixed Day Count Fraction (as defined below) (if any) and if the amount of interest payable on any Fixed Interest Payment Date is specified as an amount other than the Fixed Coupon Amount, such amount will be a "Broken Amount" specified in the applicable Pricing Supplement.

As used in these Conditions, "**Fixed Interest Period**" means the period from, and including, the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to, but excluding, the next (or first) Fixed Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, that interest shall be calculated by applying the Rate of Interest specified in the applicable Pricing Supplement to each Specified Denomination, multiplying that product by the applicable Fixed Day Count Fraction and rounding the resulting figure to the nearest Sub-unit (as defined below) of the relevant Specified Currency, half of any such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Fixed Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (A) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:
- (1) for Notes where the Accrual Period (as defined below) is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates ("**Determination Dates**"), as specified in the applicable Pricing Supplement, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; or
  - (2) for Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

- (a) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates, as specified in the applicable Pricing Supplement, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
- (b) the number of days in such Accrual Period falling in the next Determination Period divided by the product of
  - (x) the number of days in such Determination Period; and
  - (y) the number of Determination Dates that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
- (B) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Accrual Period divided by 365; and
- (C) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the

Accrual Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

"**Accrual Period**" means the period from (and including) the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant Fixed Interest Payment Date.

"**Determination Period**" means the period from (and including) a Determination Date (as specified in the applicable Pricing Supplement) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**Sub-unit**" means, for euro and U.S. Dollars, one cent and, for any currency other than euro, the lowest amount of that currency that is available as legal tender in the country of that currency.

(ii) *Fixed-Rate Notes with a Step Up*

"**Fixed Period End Date**" means each date specified in the applicable Pricing Supplement.

In respect of a Fixed-Rate Note with a step up in the rate of interest, the Rate of Interest in respect of each Fixed Interest Period means the "Rate of Interest (Step Up)" specified to be applicable in respect of a Fixed Interest Period End Date on which the Fixed Interest Period ends, as set forth in the applicable Pricing Supplement.

(b) *Interest on Floating-Rate Notes, Range Accrual Notes and Inverse-Floating-Rate Notes*

(i) *Interest Periods and Interest Payment Dates*

Each Floating-Rate Note, Range Accrual Note and Inverse Floating-Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date specified in the applicable Pricing Supplement. Interest will be payable in arrear on the "**Interest Payment Date(s)**", which shall mean either:

- (A) the specified Interest Payment Dates in each year specified in the applicable Pricing Supplement; or
- (B) if no dates for the payment of interest are specified in the applicable Pricing Supplement, each date which falls the number of months or other period specified in the applicable Pricing Supplement after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

Interest will be payable in respect of each "**Interest Period**" (which expression shall mean, in these Terms and Conditions, the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next Interest Payment Date, or the first Interest Payment Date, as the case may be).

If "Unadjusted" is specified in the applicable Pricing Supplement with respect to any Interest Payment Date, if such Interest Payment Date is not a Payment Business Day (as defined in Condition 5(b)), then such Interest Payment Date will not be adjusted in accordance with any Business Day Convention (and, consequently, the relevant Interest Period will not be adjusted) and interest on a Floating-Rate Note, Range Accrual Note or Inverse Floating-Rate Note, as applicable shall be paid as provided in Condition 5(b).

If (i) there is no numerically corresponding day in the calendar month during which an Interest Payment Date should occur or (ii) "Adjusted" is specified in the applicable Pricing Supplement with respect to any Interest Payment Date and such Interest Payment Date falls on a day which is not a Business Day, the applicable Interest Payment Date will be adjusted in accordance with the business day convention (each a "**Business Day Convention**") specified in the applicable Pricing Supplement. If the Business Day Convention specified is:

- (1) the "**Floating-Rate Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day. If postponement would cause such date to fall in the next calendar month, then (aa) such date shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) occurred; or

- (2) the "**Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the "**Modified Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day, unless that date would fall in the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or
- (4) the "**Preceding Business Day Convention**", such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

"**Business Day**" means a day which is both:

- (A) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and New York City and any additional business centers specified in the applicable Pricing Supplement (each, an "**Additional Business Center**"); and
- (B) (1) for any sum payable in a Specified Currency other than euro or CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center(s) (the "**Principal Financial Center(s)**") of the country of the relevant Specified Currency (if other than London), (2) for any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is operating or (3) for any sum payable in CNY, unless otherwise specified in the applicable Pricing Supplement, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Currency Settlement Center.

Unless otherwise provided in the applicable Pricing Supplement, the Principal Financial Center of any Specified Currency for the purpose of these Terms and Conditions shall be the relevant financial center (if any) specified for the relevant Specified Currency in section 1.5 or section 1.6 of the ISDA Definitions, except that the Principal Financial Centers for Australian Dollars shall be Melbourne and Sydney, the Principal Financial Center for Canadian Dollars shall be Toronto, and the Principal Financial Center for New Zealand Dollars shall be Wellington.

The term "**ISDA Definitions**" means the 2006 ISDA Definitions (as published by ISDA) and as amended, updated, or replaced as at the Issue Date of the first Tranche of the Notes of the relevant Series.

(c) **Rate of Interest:**

(i) **Definitions**

For the purposes of these Conditions:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits in Relevant Financial Center).

"**Constant Maturity Swap**" means the swap rate.

"**EC Treaty**" means the Treaty establishing the European Community, as amended from time to time.

"**EURIBOR**" means the Euro-Zone inter-bank offered rate for deposits in euro.

**"Euro-Zone"** means the region comprised of member states of the European Union that have adopted the euro as the single currency in accordance with the EC Treaty.

**"Interest Determination Date"** means, in respect of each Interest Period, either:

- (a) the date specified as such in the applicable Pricing Supplement; or
- (b) if no date is so specified, the day falling on the number of Banking Days specified in the applicable Pricing Supplement prior to the start of such Interest Period.

**"LIBOR"** means the London inter-bank offered rate for deposits in a specified currency.

**"Reference Banks"** means, in the case of Condition 4(c)(ii)(B)(1) below, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and in the case of Condition 4(c)(ii)(B)(2) below, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

**"Reference Rate"** means the EURIBOR, LIBOR or Constant Maturity Swap rate specified in the applicable Pricing Supplement and determined in accordance with these Conditions.

**"Relevant Financial Center"** means the financial center specified as such in the applicable Pricing Supplement or, if none is so specified, the principal financial center with which the relevant Reference Rate is most closely connected (which, if the Specified Currency is sterling, shall be London, or, if the Specified Currency is euro, shall be the Euro-Zone).

**"Relevant Screen Page"** means the Bloomberg or Reuters screen page specified as such in the applicable Pricing Supplement.

**"Relevant Time"** means either: (A) the time specified in the applicable Pricing Supplement; or (B) in the case of LIBOR or EURIBOR, 11.00 a.m.

(ii) ***Floating-Rate Notes***

The Rate of Interest payable on Floating-Rate Notes will be set forth in the applicable Pricing Supplement.

(A) ISDA Determination for Floating-Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the margin (the "**Margin**"), if any. For purposes of this sub-paragraph (A), the "**ISDA Rate**" for an Interest Period means a rate determined by the Principal Agent or such other person specified in the applicable Pricing Supplement that is equal to the Floating Rate under an interest rate swap transaction if the Principal Agent or such other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the relevant Interest Commencement Date is the Effective Date;
- (3) the Designated Maturity is a period specified in the applicable Pricing Supplement;

- (4) the relevant Reset Date is either (aa) the first day of that Interest Period, if the applicable Floating-Rate Option is based on LIBOR or EURIBOR for a currency, or (bb) in any other case, as specified in the applicable Pricing Supplement or, if no such date is specified, the first day of that Interest Period; and
- (5) where "Floating Rate Option Fallback Amendment" is specified to be applicable in the applicable Pricing Supplement, notwithstanding anything to the contrary set out in the Floating Rate Option under the ISDA Definitions, if the same does not appear on such page (or the relevant replacement page) at such time as specified in the Floating Rate Option, or such page (or the relevant replacement page) should not be available at such time on such day, the Calculation Agent will in its sole and absolute discretion, determine the rate (or a method for determining the rate) for such Reset Date, taking into consideration all available information that in good faith it deems relevant. The fallback provision in the Floating Rate Option shall be deemed to be amended accordingly.

For purposes of this sub-paragraph (A), "**Euro-Zone**" has the meaning set forth above and "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Effective Date**", "**Designated Maturity**", and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating-Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be, subject as provided below, either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page specified in the applicable Pricing Supplement); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page),

(in each case expressed as a percentage rate per annum) for the Reference Rate or Reference Rates for the Specified Maturity and the Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page at the Relevant Time in the Relevant Financial Center on the Interest Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin, if any, all as determined by the Calculation Agent.

In the case of a rate determined pursuant to paragraph (2) above, if five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, only one of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Calculation Agent for purposes of determining the arithmetic mean of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent, at its sole discretion, shall request the principal London office of each of the Reference Banks (as defined herein) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate for the Specified Maturity and the Specified Currency at or about the Relevant Time in the Relevant Financial Center on

the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin, if any, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by any two or more of the Reference Banks, at which such banks were offered, at or about the Relevant Time in the Relevant Financial Center on the relevant Interest Determination Date, for deposits in the Specified Currency for the relevant Interest Period by leading banks in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate for the Specified Maturity and the Specified Currency, plus or minus (as appropriate) the Margin, if any. If fewer than two of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest shall be the offered quotation for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered quotations for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately or about the Relevant Time on the relevant Interest Determination Date, any one or more banks informs the Calculation Agent it is quoting to leading banks in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate for the Specified Maturity and the Specified Currency, plus or minus (as appropriate) the Margin, if any, provided that if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest for the relevant Interest Period shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(C) Floating-Rate Notes with a Step Up

In respect of a Floating-Rate Note with a step up in the Rate of Interest, the Margin in respect of each Interest Period means the Margin (Step Up) specified to be applicable in respect of an Interest Period End Date on which the Interest Period is scheduled to end, as set forth in the applicable Pricing Supplement.

**"Interest Period End Date"** means each date specified in the applicable Pricing Supplement.

(iii) ***Fixed/Floating-Rate Notes***

In respect of Fixed/Floating-Rate Notes, the Rate of Interest payable will be:

- (A) for each Fixed Interest Period or Interest Period, as applicable, ending on or prior to the relevant Rate Change Date (and prior to exercise of the Issuer Rate Change Option, if applicable, in respect of such Rate Change Date), the Initial Rate of Interest; and
- (B) for each Fixed Interest Period or Interest Period, as applicable, commencing on or after the relevant Rate Change Date (and following the exercise of the Issuer Rate Change Option, if applicable, in respect of such Rate Change Date), the Subsequent Rate of Interest.

**"Initial Rate of Interest"** means (A) if the Initial Rate of Interest is a fixed rate, the rate determined in accordance with Condition 4(a) and the "Fixed-Rate Note Provisions" in the applicable Pricing Supplement; or (B) if the Initial Rate of Interest is

a floating rate, the rate determined in accordance with Condition 4(b) and 4(c) and the "Floating-Rate Note Provisions" in the applicable Pricing Supplement.

"**Subsequent Rate of Interest**" means (A) if the Subsequent Rate of Interest is a fixed rate, the rate determined in accordance with Condition 4(a) and the "Fixed-Rate Note Provisions" in the applicable Pricing Supplement; or (B) if the Subsequent Rate of Interest is a floating rate, the rate determined in accordance with Condition 4(b) and 4(c) and the "Floating-Rate Note Provisions" in the applicable Pricing Supplement.

"**Rate Change Date**" means the Fixed Interest Period End Date or the Interest Period End Date specified in the applicable Pricing Supplement.

If "**Issuer Rate Change Option**" is specified as applicable in the applicable Pricing Supplement, the Issuer has the option to change the Rate of Interest from the Initial Rate of Interest to the Subsequent Rate of Interest on the Rate Change Date upon giving no less than 10 Business Days' notice prior to the Rate Change Date to the Noteholders in accordance with Condition 13. If this option is exercised, the Subsequent Rate of Interest will be payable from, and including, the Rate Change Date up to, but excluding, the Maturity Date and the Initial Rate of Interest will cease to be payable.

For the avoidance of doubt, (A) where no Issuer Rate Change Option is specified as applicable in the applicable Pricing Supplement, the Rate of Interest in respect of each Fixed Interest Period or Interest Period, as applicable, from, and including, the Rate Change Date shall be the Subsequent Rate of Interest, and (B) if the Issuer Rate Change Option is not exercised, then the Rate of Interest in respect of each Fixed Interest Period or Interest Period, as applicable, shall be the Initial Rate of Interest.

(iv) ***Range Accrual Notes***

In respect of Range Accrual Notes, the Rate of Interest payable for each Interest Period will be the product of:

- (A) the Specified Fixed Rate; and
- (B) the Relevant Fraction in respect of such Interest Period.

"**Calculation Day**" means, in respect of each Interest Period, each calendar day falling within such Interest Period.

"**Cap**" means, in respect of a Relevant Rate, the per annum rate specified in the applicable Pricing Supplement.

"**Common Valid Date**" means each day that is a Business Day in each Relevant Financial Center.

"**Floor**" means, in respect of a Relevant Rate, the per annum rate specified in the applicable Pricing Supplement.

"**NI**" means, in respect of an Interest Period, the number of Calculation Days during such Interest Period for which, in respect of a Single Range Accrual Note, the Relevant Rate, and, in respect of a Dual Range Accrual Note, each applicable Relevant Rate is (a) if specified in the applicable Pricing Supplement that "greater than or equal to" shall apply, greater than or equal to the applicable Floor (as determined by the Calculation Agent); or (b) if specified in the applicable Pricing Supplement that "greater than" shall apply, greater than the applicable Floor (as determined by the Calculation Agent); and (x) if specified in the applicable Pricing Supplement that "less than or equal to" shall apply, less than or equal to the applicable Cap (as determined by the Calculation Agent); or (y) if specified in the applicable Pricing Supplement that "less than" shall apply, less than the applicable Cap (as determined by the Calculation Agent) (the "**Range Conditions**");

"**N2**" means, in respect of each Interest Period, the number of Calculation Days during such Interest Period, as determined by the Calculation Agent.

"**Rate**" means, in respect of a Reference Rate specified in the applicable Pricing Supplement, either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page),

(in each case expressed as a percentage rate per annum) for the Reference Rate for the Specified Maturity and Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page on which such Reference Rate is for the time being displayed at the Relevant Time in the Relevant Financial Center on such Calculation Day. If such rate does not appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Center on such Calculation Day, the Calculation Agent will in its sole and absolute discretion, determine such rate (or a method for determining such rate) for such Calculation Day, taking into consideration all available information and acting in good faith and in a commercially reasonable manner;

provided that: (i) in respect of a Single Range Accrual Note (as specified in the applicable Pricing Supplement), (A) subject to proviso (B) below, if any Calculation Day is not a Business Day in the Relevant Financial Center, the rate for such Calculation Day shall be determined in respect of the immediately preceding Business Day in the Relevant Financial Center; and (B) in respect of each Interest Period, the Relevant Rate in respect of each Calculation Day from, and including, the seventh Business Day in the Relevant Financial Center (such date being the "**Rate Cut-off Date**" for such Interest Period) prior to the Interest Payment Date falling immediately after the end of such Interest Period to, and including, the last Calculation Day of such Interest Period, shall be deemed to be the rate in respect of the Rate Cut-off Date; and (ii) in respect of a Dual Range Accrual Note (as specified in the applicable Pricing Supplement), (A) subject to proviso (B) below, if any Calculation Day is not a Common Valid Date, the rate in respect of a Reference Rate for such Calculation Day shall be determined in respect of the immediately preceding Business Day in the Relevant Financial Center for such Reference Rate; and (B) in respect of each Interest Period, the Relevant Rate in respect of each Calculation Day from, and including, the seventh Common Valid Date (such date being the "**Rate Cut-off Date**" for such Interest Period) prior to the Interest Payment Date falling immediately after the end of such Interest Period to, and including, the last Calculation Day of such Interest Period, shall be deemed to be the rate for such Reference Rate in respect of the Rate Cut-off Date.

"**Relevant Rate**" means either:

- (a) where Single Range Accrual Note is specified to be applicable in the Pricing Supplement, the Rate specified in the Pricing Supplement; or
- (b) where Dual Range Accrual Note is specified to be applicable in the Pricing Supplement, each Rate specified in the Pricing Supplement.

"**Relevant Fraction**" means, in respect of each Interest Period, an amount calculated by the Calculation Agent in accordance with the following formula:

$$\frac{N1}{N2}$$

"**Specified Fixed Rate**" means the per annum rate specified in the applicable Pricing Supplement.

(v) ***Inverse Floating-Rate Notes***

In respect of Inverse Floating-Rate Notes, the Rate of Interest payable for each Interest Period will be calculated in accordance with the following:

- (i) the Specified Fixed Rate; less
- (ii) the Relevant Rate.

"**Specified Fixed Rate**" means, in respect of each Interest Period, the rate specified to be applicable in respect of the Interest Period End Date on which the Interest Period ends, as set forth in the applicable Pricing Supplement.

"**Relevant Rate**" means either:

- (1) the offered quotation (if there is only one quotation the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page),

(in each case expressed as a percentage rate per annum) for the Reference Rate for the Specified Maturity and the Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page on which such Reference Rate is for the time being displayed at the Relevant Time in the Relevant Financial Center on each Interest Determination Date all as determined by the Calculation Agent. If such rate does not appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the Calculation Agent will in its sole and absolute discretion, determine such rate (or method for determining such rate) for such Interest Determination Date, taking into consideration all available information and acting in good faith and in a commercially reasonable manner.

(d) ***Determination of Rate of Interest and Calculation of Interest Amounts***

The Calculation Agent, at or as soon as practicable after each time at which the Rate of Interest payable on a Floating-Rate Note, Fixed/Floating-Rate Note, Range Accrual Note or an Inverse Floating-Rate Note (each of a Specified Denomination) is to be determined, will determine the Rate of Interest (subject to any specified Minimum Interest Rate (as defined herein) or Maximum Interest Rate (as defined herein)) and calculate the amount of interest (the "**Interest Amount**") payable on such Note for the relevant Interest Period. The Interest Amount for the relevant Interest Period shall be calculated (unless the Interest Amount is specified in the applicable Pricing Supplement, in which case the Interest Amount shall be such amount) by applying the Rate of Interest for such Interest Period to the Specified Denomination of such Note, multiplying such sum by the applicable Day Count Fraction (as defined herein) and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The Calculation Agent's determination of the Rate of Interest and calculation of each Interest Amount shall be conclusive and binding on all parties in the absence of manifest error.

"**Day Count Fraction**" shall have the meaning ascribed to "Day Count Fraction" in the ISDA Definitions; provided, however, if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the Day Count Fraction shall be the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.

(e) ***Notification of Rate of Interest and Interest Amount***

The Calculation Agent will notify the Issuer and any stock exchange on which the Notes (other than Fixed-Rate Notes, Zero Coupon Notes, and non-interest-bearing Notes) are listed (if the rules of such stock exchange so require) of the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date as soon as reasonably

practicable after the relevant determination or calculation. The Calculation Agent also shall publish such notice in accordance with Condition 13 as soon as possible after any determination, but in no event later than the fourth London Business Day thereafter. In connection with any such Notes listed on the Luxembourg Stock Exchange, the Calculation Agent will notify the exchange of the Rate of Interest, the Interest Payment Date, and each Interest Amount no later than the first day of the commencement of each new Interest Period. Both the Interest Amount and Interest Payment Dates subsequently may be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Each stock exchange on which such Notes are listed will be notified promptly of any amendment in accordance with Condition 13. For purposes of this Condition 4(e), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London.

(f) ***Certificates to Be Final***

All certificates, communications, opinions, determinations, calculations, quotations, and decisions given, expressed, made, or obtained for the purposes of the provisions of this Condition 4, by the Calculation Agent shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Calculation Agent, the Paying Agents, and all Noteholders and (in the absence of the aforesaid) the Calculation Agent shall not be liable to the Issuer or the Noteholders in connection with the exercise by it of its powers, duties, and discretions pursuant to such provisions.

(g) ***Zero Coupon Notes***

If a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortized Face Amount (as defined in Condition 6(e)) of such Note as determined in accordance with Condition 6(e)(iii). From the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the accrual yield, if any, in respect of such Notes (the "**Accrual Yield**") (expressed as a percentage per annum) set forth in the applicable Pricing Supplement.

(h) ***Accrual of Interest***

Each Note (or in the case of the redemption of only part of a Note, only that part of such Note) will cease to bear interest, if any, from the date for its redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue, before or after judgment, until the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; or
- (ii) five calendar days after the date on which the Principal Agent has received the full amount of the monies payable and notice to that effect has been given in accordance with Condition 13 or individually.

(i) ***Rate of Interest***

As used in these Conditions, "**Rate of Interest**" means the rate, or each rate, of interest in respect of each interest bearing Note determined in accordance with the applicable provisions of this Condition 4 and the manner specified in the applicable Pricing Supplement.

(j) ***Limitations on Interest***

The applicable Pricing Supplement may specify a minimum rate at which the Notes bear interest (a "**Minimum Interest Rate**"). If the Rate of Interest determined in accordance with the provisions of this Condition 4 is less than the specified Minimum Interest Rate, the Rate of Interest shall be such Minimum Interest Rate. Subject to the provisions of the next paragraph, the applicable Pricing Supplement may specify a Maximum Interest Rate. If the Rate of Interest determined in accordance with the provisions of this Condition 4 is greater than the maximum rate at which the Notes bear interest (the "**Maximum Interest Rate**"), the Rate of Interest shall be such Maximum Interest Rate.

In addition to any Maximum Interest Rate which may be applicable to any Note pursuant to the above provision, the interest rate on such Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25.00 per cent. per annum on a simple interest basis, with certain exceptions. The limit may not apply to Notes in which \$2,500,000 or more has been invested.

5. **Payments**

(a) ***Payments of Principal and Interest***

- (i) Payments of principal in respect of Notes shall be made to the person shown on the Register on the Record Date in the manner provided in Condition 5(a)(ii) below.
- (ii) Payments of interest on Notes shall be paid to the person shown on the Register on the Record Date. Payments in respect of each Note shall be made in the relevant Specified Currency by check drawn on a bank in the Principal Financial Center of the country of such Specified Currency and mailed to the Noteholder (or the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Registrar or Transfer Agent before the Record Date, such payment may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the Principal Financial Center of the country of such Specified Currency.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

Notwithstanding anything to the contrary in this Condition 5(a), payments in CNY will be made solely by credit or transfer to a CNY account maintained by the payee with a bank in the CNY Settlement Center in accordance with applicable laws, rules, regulations, and guidelines.

(b) ***Payment Business Day***

If the due date for payment of any amount in respect of any Note is not a Payment Business Day, the holder of the Notes shall not be entitled to payment of the amount due until (i) if "Following" is specified in the applicable Pricing Supplement, the next following Payment Business Day or (ii), if "Modified Following" is specified in the applicable Pricing Supplement, the next following Payment Business Day unless that Payment Business Day falls in the next calendar month, in which case the first preceding Payment Business Day. The holder of the Notes shall not be entitled to further interest or other payment in respect of such delay or amendment. For these purposes, "**Payment Business Day**" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchanges and foreign currency deposits) in:

- (i) the Principal Financial Center of the country of the relevant Specified Currency (or (A) in the case of an amount payable in euro, a day on which the TARGET2 System or any successor thereto is operating or (B) in the case of an amount payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Center);
- (ii) each additional financial center ("**Additional Financial Center**") specified in the applicable Pricing Supplement; and
- (iii) London and New York City.

(c) ***Interpretation of Principal***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any Additional Amounts (as defined in Condition 8) which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount (as defined in Condition 6(a)) of the Notes;
- (iii) the redemption amount (the "**Early Redemption Amount**") of the Notes payable on redemption for taxation reasons or following an Event of Default and the method, if any, of calculating the same if required to be specified by, or if different from that set out in, Condition 6(f);
- (iv) each redemption amount (the "**Optional Redemption Amount**"), if any, of the Notes;
- (v) for Installment Notes, the amount (expressed as a percentage of the principal amount of each Note) of such installment (each, an "**Installment Amount**");
- (vi) for Amortizing Notes, the amount of unpaid principal;
- (vii) for Zero Coupon Notes, the Amortized Face Amount; and
- (viii) any premium and any other amounts which may be payable by the Issuer under or for the Notes.

Any reference in these Terms and Conditions to interest on the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable in connection with interest under Condition 8.

(d) ***Imposition of Exchange Controls and other Limitations***

If the Issuer, after consulting with the Principal Agent, reasonably determines that a payment on the Notes cannot be made in the Specified Currency due to: (A) restrictions imposed by the government of such currency or any agency or instrumentality thereof or any monetary authority in such country; or (B) the Specified Currency no longer being used by the government of the country issuing such currency or for the settlement of transactions by public institutions in that country or within the international banking community, then in the case of (A) above, the Issuer shall make such payment outside the United States and its possessions in U.S. Dollars and in the case of (B) above, the Issuer, at its discretion, shall make such payment outside the United States and its possessions either in U.S. Dollars or in another currency available to the Issuer for such purposes in connection with the Notes (a "**Substitute Currency**"), subject in any case to any applicable laws and regulations. The amount of U.S. Dollars or Substitute Currency to be paid in connection with any payment shall be the amount of U.S. Dollars or Substitute Currency, as applicable, that could be purchased by the Agent with the amount of the relevant currency payable on the date the payment is due, at the rate for sale in financial transactions of U.S. Dollars or Substitute Currency (for delivery in the Principal Financial Center of the Specified Currency two Business Days later) quoted by that bank at 10:00 a.m. local time in the Principal Financial Center of the relevant currency, on the second Business Day prior to the date the payment is due or, if no such rate is available at an appropriate market rate of exchange determined by the Agent to be prevailing or, if no such rate is available, at the rate for conversion established by the then market practice in respect of internationally offered securities as of any relevant time or dates. Any such conversion shall be notified to Noteholders in accordance with Condition 13.

(e) ***Rounding***

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified elsewhere in these Conditions or in the applicable Pricing Supplement), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of such currency (with halves being rounded up), except in the case of Japanese yen, which, if the applicable Pricing Supplement specifies "JPY Rounding Down" to be applicable, shall be rounded down to the nearest Japanese yen or, if the applicable Pricing Supplement specifies "JPY Rounding

Up" to be applicable, shall be rounded up to the nearest Japanese yen (with JPY 0.5 being rounded up).

(f) **Payment Disruption**

(i) *Occurrence of a Payment Disruption Event or a CNY Payment Disruption Event*

If the applicable Pricing Supplement specifies "Payment Disruption Event" or "CNY Payment Disruption Event" to be applicable, then, in the event that the Calculation Agent, at any time and from time to time, determines in its sole discretion that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Noteholders of the relevant Notes of the occurrence of such Payment Disruption or CNY Payment Disruption Event, as the case may be, in accordance with Condition 13.

(ii) *Consequences of a Payment Disruption Event*

Upon the occurrence of a Payment Disruption Event:

(A) *Obligation to pay postponed*

The Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or any such other amounts in respect of the relevant Notes shall, subject to Condition 5(f)(v), be postponed until five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Noteholders in accordance with Condition 13) after the date on which the Payment Disruption Event is no longer operating. Noteholders shall not be entitled to further interest or other payment in respect of such postponement.

(B) *Issuer's option to vary settlement*

Notwithstanding the Issuer's right to postpone payment in accordance with Condition 5(f)(ii)(A), the Issuer may, if practicable (and to the extent lawful), and at the Issuer's sole and absolute discretion:

- (1) make payments due to be made in the Subject Currency in the Base Currency, converted from the Subject Currency into the Base Currency at a rate reasonably selected by the Calculation Agent; or
- (2) make payments due to be made in the Base Currency in the Subject Currency, disregarding any obligation to convert amounts into the Base Currency.

Any payments made in accordance with this Condition 5(f)(ii)(B) shall satisfy and discharge in full (in the case of payments or deliveries made in accordance with sub-paragraphs (1) to (3) above) and in part (in the case of Partial Distributions made in accordance with sub-paragraph (4)) the Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of which the Payment Disruption Event has arisen, and no further amounts shall be due and payable by the Issuer in respect thereof.

(iii) *Consequences of a CNY Payment Disruption Event*

Upon the occurrence of a CNY Payment Disruption Event:

(A) *Obligation to pay postponed*

Condition 5(f)(ii)(A) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(B) *Payment of Equivalent Amount*

If "Payment of Equivalent Amount" is specified to be applicable in the applicable Pricing Supplement, and the Calculation Agent determines that such CNY Payment Disruption Event is material in relation to the Issuer's obligations under the relevant Notes to pay any Interest Amount, Fixed Coupon Amount, Final Redemption Amount, or other amount in respect of the relevant Notes on the relevant Interest Payment Date, Maturity Date, or such other date on which any amount in respect of the relevant Notes shall be due and payable (such date, the "**Affected Payment Date**"), then the Issuer shall, on giving notice to Noteholders prior to the relevant Affected Payment Date, make payment of the Equivalent Amount of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount, or such other amount payable (if applicable) on the relevant Affected Payment Date in full and final settlement of its obligations to pay such Interest Amount, Fixed Coupon Amount, Final Redemption Amount, or other amount in respect of the relevant Notes.

(iv) *Payments net of expenses*

Notwithstanding any provisions to the contrary, (A) any payments made in accordance with Condition 5(f)(ii) or Condition 5(f)(iii) shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) or CNY Payment Disruption Event(s), as the case may be, and (B) no interest shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Notes as a result of the operation of Condition 5(f)(ii) or Condition 5(f)(iii), as the case may be.

(v) *Payment Event Cut-Off Date*

In the event that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, is still occurring on the Payment Event Cut-Off Date, the Interest Payment Date, the Maturity Date, or any other date on which the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of the relevant Notes shall be due and payable (as the case may be) for the relevant Notes shall fall on the Payment Event Cut-Off Date. In such circumstances, the Noteholder will not receive any amounts. Thereafter, the Issuer shall have no obligations whatsoever under the Notes.

For the purposes of this Condition 5(f):

**"Base Currency"** means the currency specified as such in the applicable Pricing Supplement.

**"CNY"** means Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY);

**"CNY Payment Disruption Event"** means the occurrence of any of the following events:

- (A) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the Notes in the general CNY foreign exchange market in the relevant CNY Settlement Center(s), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule, or regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule, or regulation);
- (B) an event that makes it impossible or impractical for the Issuer to (1) deliver CNY between accounts inside the relevant CNY Settlement Center(s), or (2) from an account inside the relevant CNY Settlement Center(s) to an account

outside the relevant CNY Settlement Center(s) (including, if applicable, to another CNY Settlement Center), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule, or regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the Trade Date and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule, or regulation); and

- (C) the general CNY foreign exchange market in the relevant CNY Settlement Center becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Notes;

**"CNY Settlement Center"** means the Financial Center(s) specified as such in the applicable Pricing Supplement;

**"Equivalent Amount"** means, in respect of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount payable (if applicable) on the relevant Affected Payment Date (for these purposes, the **"Relevant Amount"**), an amount in the Base Currency determined by the Calculation Agent by converting the Relevant Amount into the Base Currency using the Equivalent Amount Settlement Rate for the relevant Affected Payment Date;

**"Equivalent Amount Settlement Rate"** means in respect of any relevant day, the spot exchange rate on such day between CNY and the Base Currency, determined by the Calculation Agent, taking into account all available information which the Calculation Agent deems relevant (including, but not limited to, pricing information obtained from the CNY non-deliverable market outside the People's Republic of China and/or the CNY foreign exchange market in the People's Republic of China);

**"Governmental Authority"** means any *de facto or de jure* government (or any agency or instrumentality 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 the People's Republic of China, the Hong Kong Special Administrative Region and any other CNY Settlement Center;

**"impractical" or "impracticality"** means, in respect of any action to be taken by the Issuer, that the Issuer and/or its Affiliates would incur a materially increased amount of taxes, duties, expenses, or fees (as compared with circumstances existing on the Trade Date) to perform such action, or the Issuer and/or any Affiliates would be in breach of any law, rule, regulation, guideline, or internal policy of the Issuer and/or its Affiliates, if such action were to be performed;

**"Inconvertibility Event"** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (a) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions); and/or
- (b) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Center(s) in accordance with normal commercial practice.

**"Non-Transferability Event"** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any event that generally makes it impossible to deliver (a) the Base Currency from accounts inside the Subject Currency

Jurisdiction to accounts outside the Subject Currency Jurisdiction or (b) the Subject Currency between accounts inside the Subject Currency Jurisdiction or to a party that is a non-resident of the Subject Currency Jurisdiction.

**"Payment Disruption Event"** means:

- (D) the occurrence of either (1) an Inconvertibility Event and/or (2) a Non-Transferability Event;
- (E) the imposition by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Notes, and notice thereof is given by the Issuer to the Noteholders in accordance with Condition 13; or
- (F) the implementation by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Subject Currency Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the Notes;

**"Payment Event Cut-Off Date"** means the date which is one year after the Maturity Date, or as determined by the Calculation Agent acting in good faith and notified to Noteholders in accordance with Condition 13;

**"Subject Currency"** means the currency specified as such in the applicable Pricing Supplement.

**"Subject Currency Jurisdiction"** means the country for which the Subject Currency is the lawful currency.

## 6. **Redemption and Purchase**

### (a) ***At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, the Issuer will redeem each Note at an amount (the "**Final Redemption Amount**") specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

For the purposes of these Terms and Conditions, "**Redemption Amount**" shall mean the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Minimum Redemption Amount or Higher Redemption Amount (each as defined below), as the context may require.

### (b) ***Redemption for Tax Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 calendar days' notice (which notice shall be irrevocable) to the Principal Agent and to the Noteholders, in accordance with Condition 13, if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obligated to pay Additional Amounts as discussed in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

- (ii) the Issuer cannot avoid such obligation by taking reasonable measures available to it, provided that no such redemption notice shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication of any redemption notice pursuant to this Condition 6(b), the Issuer shall deliver a certificate to the Principal Agent signed by an Authorized Officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent, if any, to the redemption have occurred. For the purposes of this paragraph, "**Authorized Officer**" means, with respect to the Issuer, the Chief Executive Officer, the Chief Financial Officer, the Treasurer, any Senior Vice President or any Managing Director or Director - Corporate Treasury of the Issuer, or any other person who is duly authorized to act for the Issuer in matters relating to, and binding upon, the Issuer.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) below together (if appropriate) with interest accrued to (but excluding) the date fixed for redemption.

(c) **Call Options**

(i) ***Redemption at the Option of the Issuer (Issuer Call Option)***

If the applicable Pricing Supplement specifies that the Issuer has an option to redeem the Notes, and the Issuer gives:

- (A) not less than the minimum number of Business Days' notice prior to the Optional Redemption Date (defined below) specified in the applicable Pricing Supplement in accordance with Condition 13 to the Noteholders; and
- (B) not less than two London Business Days' (as defined in Condition 4(e)) notice to the Principal Agent before giving notice as referred to in (A) above;

(both of which notices shall be irrevocable), then the Issuer may redeem all or a portion of the Notes then outstanding on the dates upon which redemption may occur (each, an "**Optional Redemption Date**") and, in the case of a Note other than a Zero Coupon Note, at the Optional Redemption Amounts specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the case of a Zero Coupon Note, the Optional Redemption Amount shall be the Amortized Face Amount calculated in accordance with Condition 6(e)(ii) and the reference to "Early Redemption Amount" therein shall be deemed to be a reference to "Optional Redemption Amount", for the purposes of this Condition 6(c)(i). Any redemption must be of a principal amount equal to the minimum principal amount of the Notes permitted to be redeemed at any time (the "**Minimum Redemption Amount**") or any greater principal amount of the Notes permitted to be redeemed at any time (each, a "**Higher Redemption Amount**"), both as specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Registered Definitive Notes, and in accordance with the rules of the Relevant Clearing System (to be reflected in the records of the Relevant Clearing System as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes in global form, not more than 60 calendar days prior to the date fixed for redemption (the "**Selection Date**"). In the case of Redeemed Notes in definitive form, a list of the serial numbers of the Redeemed Notes will be published in accordance with Condition 13 not less than 30 calendar days prior to the date fixed for redemption. No exchange of a Registered Global Note for Registered Definitive Notes and no transfer of Registered Definitive Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 6(c) and the Issuer shall give notice to that effect to the Noteholders in accordance with Condition 13 at least 10 calendar days prior to the Selection Date.

(ii) ***Automatic Early Redemption***

If the applicable Pricing Supplement specifies that Automatic Early Redemption is applicable in respect of any Range Accrual Notes and an Automatic Early Redemption Event has occurred on the Automatic Early Redemption Observation Date, the Notes shall be redeemed at the Automatic Early Redemption Amount on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Observation Date.

**"Automatic Early Redemption Amount"** means, in respect of each Note of the Specified Denomination, 100 per cent. of the Specified Denomination.

**"Automatic Early Redemption Date"** means each Automatic Early Redemption Date specified in the applicable Pricing Supplement.

**"Automatic Early Redemption Event"** shall occur if an Automatic Early Redemption Reference Rate is (a) if specified in the applicable Pricing Supplement that "greater than or equal to" shall apply, greater than or equal to; or (b) if specified in the applicable Pricing Supplement that "greater than" shall apply, greater than; or (c) if specified in the applicable Pricing Supplement that "less than or equal to" shall apply, less than or equal to; or (d) if specified in the applicable Pricing Supplement that "less than" shall apply, less than, the Automatic Early Redemption Trigger Level.

**"Automatic Early Redemption Observation Date"** means in respect of an Automatic Early Redemption Date, the day falling on the number of Business Days specified in the applicable Pricing Supplement in the Relevant Financial Center prior to such Automatic Early Redemption Date or, if no such number is so specified, the day falling on the fifth Business Day in the Relevant Financial Center prior to such Automatic Early Redemption Date.

**"Automatic Early Redemption Reference Rate"** means, in respect of an Automatic Early Redemption Observation Date, the offered quotation (if there is only one quotation on the Relevant Screen Page specified in the applicable Pricing Supplement) or the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there are two or more quotations on the Relevant Screen Page) for the Automatic Early Redemption Reference Rate for the Specified Maturity and the Specified Currency which appears or appear, as the case may be, on the Relevant Screen Page on which the Automatic Early Redemption Reference Rate is for the time being displayed at the Relevant Time in the Relevant Financial Center on such Automatic Early Redemption Observation Date, provided that if such rate does not appear on such Relevant Screen Page at the Relevant Time in the Relevant Financial Center on such Automatic Early Redemption Observation Date, the Calculation Agent will in its sole and absolute discretion, determine such rate (or a method for determining such rate) for such Automatic Early Redemption Observation Date, taking into consideration all available information and acting in good faith and in a commercially reasonable manner.

**"Automatic Early Redemption Trigger Level"** means the Automatic Early Redemption Trigger Level specified in the applicable Pricing Supplement.

(d) ***Put Option-Redemption at the Option of the Noteholders (Investor Put Option)***

If the applicable Pricing Supplement specifies that the Noteholders have an option to redeem the Notes, then upon any Noteholder giving the Issuer (through the Relevant Clearing System, in the case of Notes held in global form), in accordance with Condition 13, not less than the minimum number of Business Days' notice prior to the Optional Redemption Date specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer, upon the expiration of such notice, will redeem in whole (but not in part), the Notes of such Noteholder on the Optional Redemption Date and, in the case of a Note other than a Zero Coupon Note, at the Optional Redemption Amount specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. In the

case of a Zero Coupon Note, the Optional Redemption Amount shall be the Amortized Face Amount calculated in accordance with Condition 6(e)(ii) and the reference to "Early Redemption Amount" therein shall be deemed to be a reference to "Optional Redemption Amount", for the purposes of this Condition 6(c)(i).

With respect to Notes held in definitive form, to exercise such option, the Noteholder must deposit the Registered Definitive Note representing such Note(s) with the Registrar or the Transfer Agent, in each case at its specified office, during normal business hours of such, Registrar or Transfer Agent falling within the notice period, together with an option exercise notice in the form obtainable from the Registrar or the Transfer Agent duly signed and completed by the relevant Noteholder (the "**Put Notice**") in which the Noteholder must specify a bank account (or, if payment is by check, an address) to which payment is to be made under this Condition 6(d).

With respect to Notes held in global form, to exercise the option of a Noteholder to redeem its Notes, the Noteholder must give notice to the Relevant Clearing System of such exercise within the notice period and in accordance with the standard procedures of the Relevant Clearing System through which such Noteholder holds its Notes in a form acceptable to such Relevant Clearing System (which may include notice by electronic means or notice given upon such Noteholder's instruction by the Common Depositary or Common Safekeeper, as applicable).

(e) **Early Redemption Amounts**

For purposes of Condition 6(b) above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable prior to the Maturity Date:

- (i) in the case of a Note (other than (x) a Zero Coupon Note, or (y) any other Note to which Condition 6(e)(ii) is specified in the relevant Pricing Supplement to apply) at the Final Redemption Amount thereof; or
- (ii) in the case of (x) a Zero Coupon Note, or (y) any other Note to which this Condition 6(e)(ii) is specified in the relevant Pricing Supplement to apply, at an amount (the "**Amortized Face Amount**") calculated in accordance with the following formula:

$$(A) \quad \text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"**RP**" means the Reference Price, as set forth in the applicable Pricing Supplement; and

"**AY**" means the Accrual Yield expressed as a decimal, as set forth in the applicable Pricing Supplement; and

"**y**" is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) "30/360" (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) "Actual/360" (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) "Actual/365" (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(B) if the amount payable with respect to any Zero Coupon Note upon redemption pursuant to Condition 6(b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is not paid or available for payment when due, the amount due and repayable with respect to such Zero Coupon Note shall be the Amortized Face Amount of such Zero Coupon Note calculated as provided above as though the references in the definition of "y" in the sub-paragraph (A) above to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "**Reference Date**") which is the earlier of:

- (1) the date on which all amounts due with respect to the Zero Coupon Note have been paid; or
- (2) the date on which the full amount of the monies repayable has been received by the Agent and notice to that effect has been given in accordance with Condition 13.

The calculation of the Amortized Face Amount in accordance with this sub-paragraph (B) will continue to be made, before, as well as after, judgment, until the Reference Date, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the principal amount of such Note together with interest at a rate per annum equal to the Accrual Yield.

"**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.

"**Associated Costs**" means an amount per Note of the Specified Denomination equal to such Note's pro rata share of the total amount of any and all costs associated or incurred by the Issuer or any Affiliate in connection with such early redemption, including, without limitation, any costs associated with unwinding any funding relating to the Notes and any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

(f) ***Repurchases***

The Issuer and/or any of its Affiliates may at any time repurchase Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold, or surrendered to any Paying Agent for cancellation, provided that any such Notes reissued or resold comply with the selling restrictions set forth in United States Treasury Regulation section 1.163-5 as if they were newly issued.

(g) ***Cancellation***

All Notes which are redeemed will be cancelled by surrendering the Registered Global Note or Registered Definitive Note representing such Notes to the Registrar and, if so surrendered, shall be cancelled forthwith. All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6(g) above shall be forwarded to the Principal Agent and cannot be reissued or resold.

7. **Redenomination**

If the applicable Pricing Supplement specifies that redenomination is applicable, Notes denominated in a currency that may be redenominated into euro, at the election of the Issuer, may be subject to redenomination in the manner set out below. In relation to such Notes, the Issuer, without the consent of the Noteholders, on giving at least 30 calendar days' prior notice to Noteholders, the Principal Agent and the Relevant Clearing System in accordance with Condition 13, may designate a "**Redenomination Date**" for the Notes, being (in the case of interest-bearing Notes) a date for payment of interest under the Notes (or in the case of Zero Coupon Notes, any date), in each case specified by

the Issuer in the notice given pursuant to this paragraph and falling on or after the date on which the relevant member state commences participation in the third stage of European Economic and Monetary Union pursuant to the EC Treaty and which falls before the date on which the currency ceases to be a subdivision of the euro.

Beginning on the Redenomination Date, notwithstanding the other provisions of the Terms and Conditions:

- (a) the Notes shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into euro at the rate for conversion established by the Council of the European Union pursuant to the EC Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines, with the agreement of the Agent (which agreement shall not be unreasonably withheld), that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, any stock exchange on which the Notes may be listed, and any Paying Agent of such deemed amendment;
- (b) if Registered Definitive Notes are required to be issued after the Redenomination Date, in then case of Notes with a Specified Denomination equivalent to €100,000 they shall be issued at the expense of the Issuer in the denominations of €100,000, and such other denominations as the Principal Agent determines and gives notice of to the Noteholders; and
- (c) after the Redenomination Date, all payments in respect of the Notes (other than payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a subdivision of the euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

In connection with such redenomination, the Issuer, after consultation with the Principal Agent, may make such other changes to the Terms and Conditions applicable to the relevant Notes, including, without limitation, with respect to any Business Day, Fixed Day Count Fraction, Day Count Fraction, or other conventions as it may decide, so as to conform them to the then market practice in respect of euro-denominated debt securities issued in the Euromarkets, which are held in international clearing systems.

Any such changes will not take effect until the next following Interest Payment Date, after the Noteholders have been given notice in accordance with Condition 13.

The circumstances and consequences described in this Condition 7 and any resulting amendment to the Terms and Conditions of the Notes will not entitle any Noteholder (i) to any legal remedy, including, without limitation, redemption, rescission, notice, repudiation, adjustment, or renegotiation of the Notes, or (ii) to raise any defense or make any claim (including, without limitation, claims of breach, force majeure, frustration of purpose, or impracticability) or any other claim for compensation, damages, or any other relief.

## 8. Taxation

The Issuer will pay a United States Alien such additional amounts of interest ("**Additional Amounts**") as may be necessary so that every net payment of the principal of and interest on any Note, after deduction or withholding for or on account of any present or future tax, assessment, or other governmental charge imposed upon such holder by the United States or any political subdivision or taxing authority thereof or therein (other than any territory or possession) upon or as a result of such payment, will not be less than the amount provided for in such Note; provided, however, that the foregoing obligation to pay Additional Amounts shall not apply to:

- (a) any tax, assessment, or other governmental charge which would not have been so imposed but for:

- (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member, or stockholder of, or a person holding a power over, such holder, if such holder is an estate, trust, partnership, or corporation) and the United States or any of its possessions, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, stockholder, or person holding a power) being or having been a citizen or resident or treated as a resident thereof or being or having been engaged in a trade or business therein or being or having been present therein or having or having had a permanent establishment therein or having or having had a qualified business unit which has the U.S. Dollar as its functional currency;
  - (ii) such holder's present or former status as a personal holding company, foreign personal holding company, passive foreign investment company, private foundation, or other tax-exempt entity, or controlled foreign corporation for United States tax purposes or a corporation which accumulates earnings to avoid United States federal income tax; or
  - (iii) such holder's status as a bank extending credit pursuant to a loan agreement entered into in the ordinary course of business;
- (b) any tax, assessment, or governmental charge that would not have been so imposed but for the failure of the holder to comply with certification, identification, or information reporting requirements under United States income tax laws, without regard to any tax treaty, with respect to the payment, concerning the nationality, residence, identity, or connection with the United States or any of its possessions of the holder or a beneficial owner of such Note, if such compliance is required by United States income tax laws, without regard to any tax treaty, as a precondition to relief or exemption from such tax, assessment, or governmental charge;
  - (c) any tax, assessment, or governmental charge that would not have been so imposed but for the presentation by the holder of such Note for payment on a date more than 30 calendar days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
  - (d) any estate, inheritance, gift, sales, transfer, excise, wealth, or personal property tax or any similar tax, assessment, or governmental charge;
  - (e) any tax, assessment, or governmental charge which is payable otherwise than by withholding by the Issuer or a Paying Agent from the payment of the principal of or interest on any Note;
  - (f) any tax, assessment, or governmental charge imposed solely because the payment is to be made by a particular Paying Agent or a particular office of a Paying Agent and would not be imposed if made by another Agent or by another office of this Agent;
  - (g) any tax, assessment, or other governmental charge imposed on interest received by a person holding, actually or constructively, 10.00 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;
  - (h) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC (the "**Directive**") or any law implementing or complying with, or introduced in order to conform to, such Directive;
  - (i) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the application of section 1471 through 1474 of the Code (or any successor provisions) any regulation, assessment, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time;
  - (j) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the payment being treated as a dividend or "dividend equivalent" for United States tax purposes; or
  - (k) any combination of items (a) through (j) above,

nor shall Additional Amounts be paid with respect to any payment of the principal of or interest on any Note to a person other than the sole beneficial owner of such payment or that is a partnership or fiduciary to the extent either (i) such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary would not have been entitled to the payment of Additional Amounts had such beneficial owner, member, beneficiary, or settlor been the Noteholder, or (ii) the Noteholder does not provide a statement, in the form, manner, and time required by applicable United States income tax laws, from such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary concerning its nationality, residence, identity, or connection with the United States.

**"United States Alien"** means any corporation, partnership, entity, individual, or fiduciary that is for United States federal income tax purposes (1) a foreign corporation, (2) a foreign partnership to the extent one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, or a foreign estate or trust, (3) a non-resident alien individual, or (4) a foreign estate or trust.

Except as specifically provided herein and in the Agency Agreement, the Issuer shall not be required to make any payment with respect to any tax, assessment, or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein.

Whenever any Additional Amounts are to be paid on Notes, the Issuer will give notice to the Principal Agent and the other Paying Agents, as provided in the Agency Agreement.

#### 9. **Prescription**

Claims against the Issuer for payment in respect of Notes shall be prescribed and become void unless made within a period of five years after the date on which such payment first becomes due (the **"Relevant Date"**). However, if the full amount of the money payable has not been duly received by the Principal Agent or other relevant Paying Agent on or prior to the Relevant Date, then the Relevant Date shall mean the date on which, after the full amount of such money has been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

#### 10. **Events of Default**

##### (a) ***Events of Default in Relation to Senior Notes***

The occurrence of any of the following events with respect to any Series of Senior Notes shall constitute an **"Event of Default"** with respect to such Series:

- (i) the Issuer shall fail to pay the principal amount of any of such Senior Notes when due whether at maturity or upon early redemption or otherwise; or
- (ii) the Issuer shall fail to pay any installment of interest, other amounts payable, or Additional Amounts on any of such Senior Notes for a period of 30 calendar days after the due date; or
- (iii) the Issuer shall fail duly to perform or observe any other term, covenant, or agreement applicable to such Senior Notes contained in any of such Senior Notes or in the Agency Agreement for a period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Issuer and the Principal Agent by the Noteholders of at least 33.00 per cent. in aggregate principal amount of such Senior Notes at the time outstanding; provided, however, that in the event the Issuer within the aforesaid period of 90 calendar days shall commence legal action in a court of competent jurisdiction seeking a determination that the Issuer had not failed duly to perform or observe the term or terms, covenant or covenants, or agreement or agreements specified in the aforesaid notice, such failure shall not be an Event of Default unless the same continues for a period of ten calendar days after the date of any final determination to the effect that the Issuer had failed to duly perform or observe one or more of such terms, covenants, or agreements; or

- (iv) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its property or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 60 consecutive calendar days; or
- (v) the Issuer shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganization, or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, conservator, assignee, trustee, custodian, sequestrator (or similar official) of the Issuer or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

(b) ***Events of Default in Relation to Subordinated Notes***

The occurrence of any of the following events with respect to any Series of Subordinated Notes shall constitute an "**Event of Default**" with respect to such Series:

- (i) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its property or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 60 consecutive calendar days; or
- (ii) the Issuer shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganization, or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, conservator, assignee, trustee, custodian, sequestrator (or similar official) of the Issuer or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

(c) ***Acceleration of Notes, Notices, Certain Calculations, and Amounts to be Paid***

If an Event of Default shall occur and be continuing with respect to any Series of Notes, then the holder of any Notes of the applicable Series, at such holder's option, by written notice to the Issuer and the Principal Agent, may declare the principal of such Note, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any, thereon) to be due and payable immediately and if any such Event of Default shall continue at the time of receipt of such written notice, such amounts shall become immediately due and payable, subject to the qualification in bold-type immediately below. Upon payment of such amount of principal, interest, or any other amounts payable (and Additional Amounts, if any), all of the Issuer's obligations in respect of payment of principal of, interest, or any other amounts payable (and Additional Amounts, if any) on such Note shall terminate. Interest on overdue principal, interest, or any other amounts payable (and Additional Amounts, if any) shall accrue from the date on which such principal, interest, or any other amounts payable (and Additional Amounts, if any) were due and payable to the date such principal, interest, or any other amounts payable (and Additional Amounts, if any) are paid or duly provided for, at the rate borne by the Notes (to the extent payment of such interest shall be legally enforceable).

**Payment of principal, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any) of the Subordinated Notes may not be accelerated in**

**the case of a default in the payment of principal, interest, or any other amounts then payable or the performance of any other covenant of the Issuer. Payment of the principal, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any) of the Subordinated Notes may be accelerated only in the case of the bankruptcy or insolvency of the Issuer.**

If an Event of Default with respect to the Notes, or an event which, with the passing of time or the giving of notice, or both, would be an Event of Default, shall occur and be continuing, the Issuer shall notify the Principal Agent in writing of such Event of Default no later than the following Business Day after it becomes aware of such Event of Default, and the Principal Agent thereupon promptly shall notify all of the relevant Noteholders of such Event of Default.

If any Note shall become so repayable, it shall be repaid at its Early Redemption Amount (as defined in Condition 6(f)) together, if appropriate, with accrued interest thereon, such interest to accrue and be paid in accordance with Condition 4.

#### **11. Replacement of Registered Global Notes or Registered Definitive Notes**

Should any Registered Global Note or Registered Definitive Note be lost, stolen, mutilated, defaced, or destroyed, it may be replaced at the specified office of the Registrar or Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Registered Global Notes or Registered Definitive Notes must be surrendered before replacements will be issued.

#### **12. Agent and Paying Agents**

Bank of America, N.A. (operating through its London Branch) of 5 Canada Square, London E14 5AQ, United Kingdom shall be the initial Principal Agent. Merrill Lynch International Bank Limited of Dublin Road, Carrick on Shannon, Ireland shall be the Registrar and Transfer Agent.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, the Registrar, or Transfer Agent and to appoint an alternative Principal Agent or other Paying Agents, Registrars, or Transfer Agents and approve any change in the specified office through which any Paying Agent, Registrar or Transfer Agent acts, provided that:

- (a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (b) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (c) there will at all times be a Principal Agent;
- (d) the Issuer will maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the Directive (as defined in Condition 8) or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (e) there will at all times be a Transfer Agent and a Registrar with a specified office in continental Europe (outside the United Kingdom).

Any variation, termination, appointment, or change shall take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

#### **13. Notices**

Notices to the holders of the Notes shall be (a) mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and (b) save where another means of effective

communication has been specified herein, published (i) in the case of any Notes which are admitted to trading on the London Stock Exchange's Regulated Market (so long as the rules of that exchange so require), in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*), or, if such publication is not practicable, published in a leading English language daily newspaper having general circulation in Europe, or (ii) in the case of Notes which are admitted to listing, trading, and/or quotation by any other listing authority, stock exchange, and/or quotation system (so long as the rules of such listing authority, stock exchange, and/or quotation system so require), in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and in such other place or manner as may be required by the rules and regulations of such listing authority, stock exchange, and/or quotation system.

Notices to the holders of Notes shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the later of the date of mailing and (if applicable) the date of publication (or if required to be published in more than one newspaper, the first date on which publication shall have been made in all required newspapers).

For so long as the Registered Global Notes are held in their entirety on behalf of the Relevant Clearing System and until such time as any Registered Definitive Notes are issued, if any are issued, there may be substituted for such publication in such newspaper the delivery of the relevant notice to the Relevant Clearing System for communication by them to the Noteholders and, in addition, so long as the Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, notices will be published in a daily newspaper of general circulation in a place or places required by those rules. Any such notice to the Relevant Clearing System shall be deemed to have been given to Noteholders on the Business Day after the day on which that notice was given to the Relevant Clearing System.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the related Note or Notes, with the Principal Agent. While any of the Notes are represented by a Registered Global Note, that notice may be given by any Noteholder to the Principal Agent through the Relevant Clearing System, in such manner as the Principal Agent and the Relevant Clearing System may approve for this purpose.

#### 14. Meetings of Noteholders, Modification, and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including approving by Extraordinary Resolution (as defined in the Agency Agreement) a modification of the Notes or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 33.00 per cent. in principal amount of the Notes of the relevant Series that at such time remain outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in principal amount of the Notes of the relevant Series that at such time remain outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Notes of the relevant Series that at such time remain outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

Without the consent of the Noteholders, the Principal Agent and the Issuer may agree to modifications of or amendments to the Agency Agreement or the Notes for any of the following purposes:

- (a) to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer in the Agency Agreement or the Notes;
- (b) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power herein conferred upon the Issuer;

- (c) to relax or eliminate the restrictions on payment of principal and interest in respect of the Notes in the United States or its possessions, provided that such payment is permitted by United States tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Noteholders;
- (d) to cure any ambiguity, to correct or supplement any defective provision herein or any provision which may be inconsistent with any other provision herein;
- (e) to make any other provisions with respect to matters or questions arising under the Notes or the Agency Agreement, provided such action pursuant to this sub-paragraph (e) shall not adversely affect the interests of the Noteholders;
- (f) to facilitate the issuance of Notes in accordance with the laws of a particular jurisdiction; and
- (g) to permit further issuances of Notes in accordance with the terms of the Program Agreement.

Any such modification or amendment shall be binding on the Noteholders and any such modification or amendment shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

#### **15. Merger, Consolidation, Sale, Conveyance and Assumption**

Any entity into which the Principal Agent or any Agent may be merged or converted, or any entity with which the Principal Agent or any of the Agents may be consolidated or any entity resulting from any merger, conversion, or consolidation to which the Principal Agent or any of the Agents shall be a party, or any entity to which the Principal Agent or any Agent shall sell or otherwise transfer all or substantially all the assets of the Principal Agent or any Agent shall become, on the date when such merger, conversion, consolidation, or transfer becomes effective and to the extent permitted by any applicable laws, the successor Principal Agent or, as the case may be, Agent under the Agency Agreement without the execution or filing of any paper or any further act on the part of the parties to the Agency Agreement, unless otherwise required by the Issuer, and after the effective date all references in the Agency Agreement to the Principal Agent or, as the case may be, such Agent shall be deemed to be references to such entity. Written notice of any such merger, conversion, consolidation, or transfer shall be given immediately to the Issuer by the relevant Principal Agent or Agent.

#### **16. Additional Issuances**

The Issuer from time to time without the consent of the relevant Noteholders may create and issue additional Series of Notes having terms and conditions the same as (or the same in all respects except for the Issue Date, Interest Commencement Date, and the Issue Price) Notes of an existing Series. These additional Notes shall be consolidated and form a single Series with the outstanding Notes of the existing Series.

#### **17. Governing Law and Submission to Jurisdiction**

The Agency Agreement and the Notes shall be governed by and construed in accordance with the laws of the State of New York, United States, applicable to agreements made and to be performed wholly within such jurisdiction without regard to principles of conflicts of laws.

The Issuer submits to the non-exclusive jurisdiction of any United States federal court sitting in New York City, the Borough of Manhattan, solely for purposes of any legal action or proceeding brought to enforce its obligations under the Agency Agreement or the Notes. As long as any Note remains outstanding, the Issuer shall either maintain an office or have an authorized agent in New York City upon whom process may be served in any such legal action or proceeding. Service of process upon the Issuer at its office or upon such agents with written notice of such service mailed or delivered to the Issuer shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding. The Issuer appoints CT Corporation System at 111 Eighth Avenue, New York, New York 10011 as its agent upon whom process may be served in any suit, action, or proceeding relating to or arising out of the Agency Agreement or the Notes and with a copy to the Issuer at Bank of America Corporation, Bank of America Corporate Center, NC 1-007-06-10, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, Attn: Corporate Treasury Global Funding Transaction Management, and with an

additional copy to Bank of America Corporation, Legal Department, NC1-027-20-05, 214 North Tryon Street, Charlotte, North Carolina 28255-0065, Attn: General Counsel.

**FORM OF PRICING SUPPLEMENT**

Pricing Supplement dated [    ]

**BANK OF AMERICA CORPORATION**

*Issue of [Aggregate Nominal Amount of Tranche of Notes] [Title of Notes] under the  
U.S.\$65,000,000,000  
Bank of America Corporation Euro Medium-Term Note Program*

**PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") as set forth in the Offering Circular dated May 20, 2013 ([as supplemented by the supplemental Offering Circular[s] dated [    ],] the "**Offering Circular**"). This Pricing Supplement must be read in conjunction with the Offering Circular.

1. Issuer: Bank of America Corporation
2. (i) Series Number: [    ]  
(ii) Tranche Number: [    ]
3. Specified Currency: [    ]
4. Aggregate Nominal Amount of Notes:  
(i) Series: [    ]  
(ii) Tranche: [    ]
5. Issue Price: [    ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [    ]]
6. Specified Denominations: [    ]
7. (i) Issue Date: [    ]  
(ii) Interest Commencement Date: [    ] [Issue Date] [Not Applicable]
8. Maturity Date: [    ] [[Interest Payment Date falling in or nearest to [    ]]
9. Interest Basis: [Fixed-Rate]  
[Floating-Rate]  
[Fixed/Floating-Rate]  
[Range Accrual]  
[Inverse Floating-Rate]  
[Zero Coupon]  
[(see paragraph[s] [16][17][18][19][20][21] below)]
10. Change of Interest Basis: [[Fixed Rate to Floating Rate]  
[Floating Rate to Fixed Rate]  
(see paragraph 18 below)] [Not Applicable]
11. Redemption/Payment Basis: [Redemption at par]
12. Put/Call Options: [Issuer Call Option (further particulars specified below)] [Investor Put Option (further particulars specified below)] [Not Applicable]

13. Automatic Early Redemption: [Applicable (see paragraph 24 below)] [Not Applicable]
14. (i) Status of the Notes: [Senior][Subordinated]
- (ii) [Date of [Board] approval for issuance of Notes obtained:] [ ] [Not Applicable]
15. Method of Distribution [Syndicated][Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed-Rate Note Provisions: [Applicable] [Not Applicable]
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually] [semi annually] [quarterly] [monthly] in arrear]
- [As specified below [payable [annually] [semi annually] [quarterly] [monthly] in arrear]]

[Fixed Interest Period End Date]	Rate of Interest (Step Up) (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

- (ii) Fixed Interest Payment Date(s): [Subject to exercise of the Issuer Rate Change Option][[ ] in each year, from, and including [[ ] up to, and including Maturity Date] [ ]]
- The Fixed Interest Period shall not be adjusted.
- (iii) Fixed Coupon Amount(s): [[ ] per [ ] in nominal amount] [Not Applicable]
- (iv) Broken Amount(s): [ ] payable on [ ] [Not Applicable]
- (v) Fixed Day Count Fraction: [30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]
- (vi) Determination Date(s): [[ ] in each year] [Not Applicable]
17. Floating-Rate Note Provisions: [Applicable] [Not Applicable]

- (i) Interest Payment Date(s): [Subject to exercise of the Issuer Rate Change Option][ ] in each year, from, (and including) [ ] to, (and including) [ ] [ ]  
 [Adjusted] [Unadjusted]
- (ii) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Center(s) (Condition 4(b)): [ ] [Not Applicable]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination] [ISDA Determination]
- (v) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]
- (vi) Screen Rate Determination: [Applicable] [Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Interest Determination Date(s): [in respect of each Interest Period, the [ ] [second] Banking Day prior to the start of such Interest Period ] [ ]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Center: [ ]
- (vii) ISDA Determination: [Applicable][Not Applicable]
- Floating-Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - Floating Rate Option Fallback Amendment: [Applicable] [Not Applicable]
- (viii) Margin(s): [[+/-] [ ] per cent. per annum] [Not Applicable]

Interest Period End Date	Margin (Step Up) (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

- (ix) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
  - (x) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
  - (xi) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]  
[30E/360 or Eurobond Basis]  
[30E/360 (ISDA)]
18. Fixed/Floating-Rate Notes: [Applicable][Not Applicable]
- (i) Initial Rate of Interest: [Fixed Rate][Floating Rate]
  - (ii) Subsequent Rate of Interest: [Fixed Rate][Floating Rate]
  - (iii) Rate Change Date(s): [Fixed Interest Period End Date/Interest Period End Date] [ ]
  - (iv) Fixed Interest Period End Date: [ ] [Not Applicable]
  - (v) Interest Period End Date: [ ] [Not Applicable]
  - (vi) Issuer Rate Change Option: [Applicable]/[Not Applicable]
19. Range Accrual Note Provisions: [Applicable] [Not Applicable]
- (i) Interest Payment Date(s): [[ ] in each year, from (and including) [ ] to (and including) [ ] [ ]]  
[Adjusted] [Unadjusted]
  - (ii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention]  
[Preceding Business Day Convention] [Not Applicable]
  - (iii) Additional Business Center(s) [ ] [Not Applicable]  
(Condition 4(b)):

- (iv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International] [Merrill Lynch Capital Services Inc.] [ ]
- (v) Specified Fixed Rate [ ]
- (vi) Single Range Accrual Note: [Applicable] [Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]
  - Cap: [[ ] per cent. per annum][Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to][greater than] shall apply.]
- Floor: [ ] per cent. per annum][Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to][less than] shall apply.]
- (vii) Dual Range Accrual Note: [Applicable][Not Applicable]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [As specified in Condition 4(c)(i)]
  - Relevant Financial Center: [ ]
  - Cap: [[ ] per cent. per annum][Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to][greater than] shall apply.]
- Floor: [ ] per cent. per annum][Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to][less than] shall apply.]
- Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]

- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ] [As specified in Condition 4(c)(i)]
- Relevant Financial Center: [ ]
- Cap: [[ ] per cent. per annum][Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(c)(iv), [greater than or equal to][greater than] shall apply.]
- Floor: [ ] per cent. per annum][Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(c)(iv), [less than or equal to][less than] shall apply.]
- (viii) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (ix) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (x) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
 [Actual/Actual (ICMA)]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360 or 360/360 or Bond Basis]  
 [30E/360 or Eurobond Basis]  
 [30E/360 (ISDA)]
- 20. Inverse Floating-Rate Note Provisions: [Applicable] [Not Applicable]
- (i) Interest Payment Date(s): [[ ] in each year, from (and including) [ ] to (and including) [ ] ]  
 [Adjusted] [Unadjusted]
- (ii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention]  
 [Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Center(s) (Condition 4(b)): [ ] [Not Applicable]
- (iv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Principal Agent] [Merrill Lynch International]  
 [Merrill Lynch Capital Services Inc.] [ ]

(v) Specified Fixed Rate:

Interest Period End Date	Specified Fixed Rate (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

(vi) Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]

- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ] [As specified in Condition 4(c)(i)]
- Relevant Financial Center: [ ]
- Interest Determination Date(s): [In respect of each Interest Period, the [ ] [second][Banking Day prior to the start of such Interest Period][ ]

(vii) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]

(viii) Maximum Interest Rate: [[ ] per cent. per annum] [Not Applicable]

(ix) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
 [Actual/Actual (ICMA)]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360 or 360/360 or Bond Basis]  
 [30E/360 or Eurobond Basis]  
 [30E/360 (ISDA)]

21. Zero Coupon Note Provisions: [Applicable] [Not Applicable]

(i) Accrual Yield: [ ] per cent. per annum

(ii) Reference Price: [ ]

(ii) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360]  
 [Actual/360]  
 [Actual/365 (Fixed)]

**PROVISIONS RELATING TO REDEMPTION**

22. Issuer Call Option: [Applicable] [Not Applicable]

- (i) Optional Redemption Date(s): [Each Fixed Interest Payment Date from (and including) [ ] to (and including), [ ]] [Each Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date scheduled to fall on [ ]][ ]
- (ii) Optional Redemption Amount(s) of each Note: [ ] per Note of [ ] Specified Denomination [Condition 6(e)(ii) applies]
- (iii) If redeemable in part: [ ]
- (a) Minimum Redemption Amount: [ ]
- (b) Higher Redemption Amount: [ ]
- (iv) Notice period: Minimum period: [ ] Business Days
23. Investor Put Option: [Applicable] [Not Applicable]
- (i) Optional Redemption Date(s): [Each Fixed Interest Payment Date from (and including) [ ] to (and including), [ ]] [Each Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date scheduled to fall on [ ]][ ]
- (ii) Optional Redemption Amount(s) of each Note: [ ] per Note of [ ] Specified Denomination [Condition 6(e)(ii) applies]
- (iii) Notice period: Minimum period: [ ] Business Days
24. Automatic Early Redemption [Applicable] [Not Applicable]
- (i) Automatic Early Redemption Date(s): [Each Fixed Interest Payment Date commencing on the Interest Payment Date scheduled to fall on [ ], to (and including), the Interest Payment Date schedule to fall on [ ]][ ]
- (ii) Automatic Early Redemption Observation Date(s): The [fifth][ ] Business Day in the Relevant Financial Center prior to an Automatic Early Redemption Date [ ]
- (iii) Automatic Early Redemption Reference Rate: [EURIBOR] [LIBOR] [Constant Maturity Swap]
- Specified Maturity: [ ] [month[s]] [year[s]]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ] [(As specified in Condition 4(c)(i))]
  - Relevant Financial Center: [ ]

- (iv) Automatic Early Redemption Trigger Level: [ ] per cent. per annum  
 For the purpose of the definition of "Automatic Early Redemption Event" in Condition 6(c)(ii), [greater than or equal to][greater than][less than or equal to][less than] shall apply.]
25. Final Redemption Amount of each Note: [ ] per Note of [ ] Specified Denomination
26. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default or other early redemption: [[ ] per Note of [ ] Specified Denomination]
- (i) Condition 6(e)(ii): [Applicable] [Not applicable]
- (ii) Reference Price: [ ]
- (iii) Accrual Yield: [ ]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

27. Form of Notes: [Registered Notes]  
 [Registered Global Note exchangeable for Registered Definitive Notes in the limited circumstances specified in the Registered Global Note]  
 [Registered Notes in definitive form]
28. Payment Business Day Convention: [Following] [Modified Following]
29. Additional Financial Center(s): [None] [ ] [and for the avoidance of doubt [ ] [London] and [New York]]
30. Payment Disruption Event: [Applicable] [Not Applicable]
- (i) Base Currency: [ ]
- (ii) Subject Currency [ ]
31. CNY Payment Disruption Event: [Applicable] [Not Applicable]
- (i) CNY Settlement Center: [The Hong Kong Special Administrative Region] [ ]
- (ii) Base Currency: [ ]
- (iii) Subject Currency: [ ]
- (iv) Payment of Equivalent Amount: [Applicable] [Not Applicable]
32. Redenomination provisions: [Applicable][Not Applicable]

33. JPY Rounding: [Applicable] [Not Applicable]  
 - JPY Rounding Down: [Applicable] [Not Applicable]  
 - JPY Rounding Up: [Applicable] [Not Applicable]

**DISTRIBUTION**

34. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable] [ ]  
 (ii) Date and material features of [Subscription] Agreement: [ ]
35. If non-syndicated, name and address of relevant Dealer: [Not Applicable] [ ]
36. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
37. U.S. Selling Restrictions: Regulation S Compliance Category: 2; TEFRA D not applicable

Acknowledged and accepted by:

Bank of America Corporation

By: .....

Name: .....

Title: .....

**PART B - OTHER INFORMATION**

1. **LISTING AND ADMISSION TO TRADING**
- (i) Listing: The Notes are not listed.
2. **RATINGS** [The Notes to be issued [have been][are expected to be] rated]: [ ] by [ .] [The Notes are not rated.]
3. **OPERATIONAL INFORMATION**
- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme, the relevant address(es) and the relevant identification number(s): [Not Applicable] [ ]
- (iv) Names and addresses of initial Paying Agent(s) (if any): [ ] [Not Applicable]
- (v) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]  
 [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositories ("ICSDs") as Common Safekeeper, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, in respect of Registered Global Notes that are held under the New Safekeeping Structure for registered global securities and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
- (v) Delivery: Delivery [against] [free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): [ ]

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