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(by upload to [http://www.esma.europa.eu/index.php?page=to\\_respond&id=178](http://www.esma.europa.eu/index.php?page=to_respond&id=178))

25 February 2011

Dear Sirs,

**ESMA Call for evidence – European Commission request for technical advice on possible delegated acts concerning the Directive 2003/71/EC (the Prospectus Directive or PD) as amended by Directive 2010/73/EU (the PD Amendment Directive)**

The International Capital Market Association (ICMA) is responding to the above.

ICMA is a self regulatory organisation and an influential voice for the global capital market. It represents a broad range of capital market interests including global investment banks and smaller regional banks, as well as asset managers, exchanges, central banks, law firms and other professional advisers. ICMA's market conventions and standards have been the pillars of the international debt market for over 40 years. See: [www.icmagroup.org](http://www.icmagroup.org).

ICMA is responding in relation to its primary market constituency that lead-manages syndicated bond issues throughout Europe. This constituency deliberates principally through ICMA's Primary Market Practices Sub-committee<sup>1</sup>, which gathers the heads and senior members of the syndicate desks of 21 ICMA member banks, and ICMA's Legal and Documentation Sub-committee<sup>2</sup>, which gathers the heads and senior members of the legal transaction management teams of 19 ICMA member banks, in each case active in lead-managing syndicated bond issues in Europe.

We set out our response in the Annex (and related Schedules) to this letter and would be pleased to discuss them with you at your convenience.

Yours faithfully,

A handwritten signature in black ink, appearing to read "R. Ewing", with a large, sweeping flourish at the end.

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<sup>1</sup> <http://www.icmagroup.org/About-ICMA/ICMAs-Committees/Primary-Market-Practices-Sub-committee.aspx>.

<sup>2</sup> <http://www.icmagroup.org/About-ICMA/ICMAs-Committees/Legal-and-Documentation-Sub-committee.aspx>.

**A – Formats of the summary and detailed content and specific form of the key information to be included therein**

ICMA has developed draft formats of stand-alone issue and programme summaries further to the PD Amendment Directive's introduction of the "key information" concept – see Schedules 1A, 1B, 2A and 2B. The programme format, including just some place holders for any actual information, actually exceeds 2,500 words (and the stand-alone format exceeds 1,800 words, which accounts for more than 70% of the threshold) – evidencing the need for flexibility in the practical application of this threshold noted in Recital 21 to the original PD. In this respect, we note that Recital 15 to the PD Amendment Directive notes that summaries should just be "short".

The existence of two distinct possible formats in the context of vanilla bond issuance alone suggests that the delegated acts to be ultimately adopted by the Commission may need to allow for several alternative formats according to product type. It is unlikely that a single all-encompassing format or even several prescribed formats will be able to cover all potential permutations, particularly in the more dynamic markets, and so competent authorities may need to be able to allow appropriate variations in specific cases (albeit perhaps subject to any necessary coordination within ESMA).

A potential overlap between the PD summary and the proposed PRIPs KIID will ultimately depend on the, as yet undecided, PRIPs policy approach. However, structured products are generally issued under programme base prospectuses, the summary for which will not therefore address specific issues – so the scope for overlap may be limited. Combining programme summaries with final terms is not a practicable option as other differences arise – notably regarding:

- substantive content (KIIDs focus on clarifying investment structures but should not address credit risk);
- investor tailoring (KIIDs might be tailored individual investors' knowledge and appetites and/or include some information on point of sale costs and taxation);
- length (two page KIIDs are much shorter than 25 or more combined pages of summaries and final terms); and
- responsibility (prescribed in the PD context but should be left open to the parties in the PRIPs context).

PD summaries and PRIPs KIIDs are therefore not substitutable and their content should be allowed to differ accordingly (including regarding any more detailed provisions as to the exact meaning of 'key information').

**B - Format of the final terms**

ICMA developed a format of final terms for use in the international debt markets a number of years ago. It did this in response to a request from the clearing systems who service debt issues for the markets, in order to enable them to locate the relevant information quickly. The current versions of this format<sup>3</sup> are used for the majority of programmes in the international markets. Market documentation can, of course, be changed; but significant changes result in cost to market participants and disruption, as programmes are updated and investors and other market participants become familiar with new formats. Accordingly, it would be helpful if any discussion as to the format of final terms could consider the ICMA formats as a starting point.

The existence of several ICMA formats in the context of vanilla bond issuance alone suggests, similarly to what is noted above in the context of summary formats, that entrenching a single format of final terms in delegated acts adopted by the Commission may not be practicable (even if of enormous

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<sup>3</sup> Item 7-II of the IPMA Handbook (being rebranded the 'ICMA Primary Market Handbook'): [http://www.icmagroup.org/legal1/ipma\\_handbook\\_home.aspx](http://www.icmagroup.org/legal1/ipma_handbook_home.aspx).

length). So competent authorities may here also need to be able to allow appropriate variations in specific cases (albeit perhaps subject to any necessary coordination within ESMA).

In a similar vein, debt programmes are not the unique preserve of the international markets. A number of domestic markets in the EEA have their own formats of programme and final terms, which are different from the ICMA format. These forms are often influenced by long established market practice and by legal requirements. Again, significant change could cause cost and disruption to these markets.

It should be noted that some formats of final terms do not exclusively owe their existence to PD disclosure requirements, but also constitute the contractual terms of the securities and so appropriately derive some additional content in this respect.

## **C – Respective scope of the final terms and summaries**

The amended Prospectus Directive sets out the following provisions relating to final terms:

- they may contain only “securities note” information (i.e. they may not contain information relating to the issuer or its financial position);
- they may only contain information that is not known at the date of the base prospectus;
- they are subject to the supplemental prospectus regime under Article 16 (so that, if the information that is to be included is “significant”, a supplement is required and final terms cannot be used);
- they can, however, contain some information that is highly important to investors (such as the issue price and interest rate for the issue).
- they do not need to be approved (unlike prospectus supplements, which do require approval by the relevant competent authority).

It is possible to conclude several things from these provisions.

1. The Directive clearly links the final terms and supplement concepts. In other words, the Directive permits final terms to be used to issue securities under programmes unless the information contained in them is so “significant” that a supplement is required instead.
2. This begs the question – what does “significant” mean in this context? This question does not exist in isolation, but must be answered in the context of the Directive as a whole and in the light of the purpose of the legislation.
3. Any interpretation of the word “significant” in the context of Article 16 must give weight to the substance and import of the securities note information in question, rather than its format. In other words, it is not possible, under the Directive, to say that final terms can only include securities note information that is in numerical form, simply filling in a date or confirming a particular pre-existing option (enacting such a requirement would incidentally be likely to result in significant market disruption as existing issuance platforms would be either abandoned or re-documented). Sentences, and even paragraphs of text or algebraic redemption formulae, can equally be “insignificant” (for example where the base prospectus plainly describes the economic effects of the redemption provisions) and therefore be included in final terms rather than triggering a supplement.
4. “Significant” could, arguably, relate back to the disclosure standard set out in Article 5(1) of the Directive, so that anything that is necessary to enable investors to make an informed assessment of the rights attached to the securities will be significant and must be included in a supplement, rather than in final terms. However, this interpretation would be inconsistent with Recital 17 to the PD Amendment Directive, which expressly allows information such as the issue price, the coupon and the redemption price to be included in final terms, and these are clearly things that are necessary for investors to make their informed assessment.

5. A second approach would be to interpret “significant” in the light of the purpose behind the approval requirement under the Directive. The relevant question would be whether the securities note information to be included is so significant that it should be approved by the relevant competent authority (and therefore be included in a supplement, rather than final terms).
6. One answer to this may be to find a link between “significant” in Article 16 and the requirement in Article 5(2) to describe, in the summary, the “essential characteristics and risks” of the securities. The purpose of approval by a competent authority of the detailed terms of the securities is, on this argument, to check that the summary does, indeed, reflect the essential characteristics and risks of the securities. Therefore, if the new securities note information would require a change to the description of those characteristics in the base prospectus, it must be included in a supplement (so that competent authorities can review it and the revised summary), and cannot be included in final terms.
7. A similar link could be made between the term “significant” in Article 16 and the requirement to describe the risk factors that “are material” to the securities (under paragraph 2.1 of Annex V of Regulation EC/809/2004 – the PD Regulation). These will be included in the base prospectus. If the new information relating to securities to be issued under the programme would introduce material risks that are not described in the base prospectus, then the information would be “significant” for the purposes of Article 16 and a supplement would be required.
8. The approach in the two preceding paragraphs can equally be taken in relation to the “key information” concept (which includes risks) introduced by the PD Amendment Directive.
9. It will be important, when deciding these matters, to understand that the use of supplements for issuance under programmes adds significant cost and delays, thanks to the approval process. This reinforces the need to achieve a sensible balance, so that only those things that actually need approval trigger the supplement regime. Some issuers produce around 8,000 final terms per year, many on a reverse enquiry basis where the terms are proposed by institutional investors (seeking tailored but ‘regulated market’ securities – hence PD relevance) and so cannot be covered in the issuer’s base prospectus. These constitute a potential ongoing deluge of supplements for competent authorities if the final terms / supplement balance is not correctly calibrated, which would add to the initial market disruption noted in 3 above.
10. Competent authorities can promote appropriate compliance through (i) clear and appropriate guidance (such as ESMA’s Q&A), (ii) selective (sample-basis) but systematic monitoring of final terms filed and (iii) consequent imposition of warnings and then (iv) the taking of enforcement action (including the imposition of fines). In practice, step (i) alone should suffice, as incorrect inclusion of information in final terms is mainly due to misunderstanding of the Directive’s provisions in the absence of such guidance.

#### **D – Consent to use a prospectus in a retail cascade**

Article 3.2 of the amended PD provides that any use by third parties (MiFID regulated intermediaries) of an issuer’s prospectus is subject to the issuer so consenting “by means of a written agreement”.

There are many ways in which an issuer might materialise such consent. It could name the relevant intermediaries, if then known, either specifically or generically (for example by reference to all regulated investment firms within a specified jurisdiction), directly in the prospectus or final terms. However, an issuer might only decide to grant consent to an intermediary subsequently, in which case several means to evidence such consent in writing could be used.

Ultimately, it is for the intermediary concerned to obtain written evidence that it has obtained the issuer’s consent if using its prospectus. In either case investors will have recourse in respect of any loss suffered from a misleading prospectus – the issuer if such evidence is then produced or the intermediary if not.

## **E - Review of the Prospectus Regulation**

Items 1, 2 and 3 below are specifically raised in the Commission's mandate to ESMA.

### **1. Taxes on income from securities withheld at source**

Annex V paragraph 4.14 and Annex XII paragraph 4.1.14 of the PD Regulation require disclosure in the prospectus of information on taxes on the income from the securities withheld at source. This is limited, by the paragraph introductions, to those taxes in the country of the registered office of the issuer and the country where the offer is being made or admission is being sought.

CESR (as it then was) helpfully stated that this "refers to information on any amount withheld at source, that is, by the issuer or by any agent appointed by it for the purpose of making payment on the securities". Thus, where the ultimate investor holds securities through a custodian or a clearing system, the issuer does not have to describe in the prospectus any withholding that may be made by that custodian or clearing system when passing on any payment on the securities (because they are not agents of the issuer). It would clearly be impossible for the issuer to identify everyone in the payment chain between itself and the ultimate investor, so as to describe correctly the payment amount that that investor will ultimately receive.

It would therefore be helpful if PD Regulation Annex V paragraph 4.14 and Annex XII paragraph 4.1.14 were reworded to make this clear, as follows (suggested amendment in underlined type):

*"In respect of the country of the registered office of the issuer and the country(ies) where the offer being made or admission to trading is being sought:*

*- information on taxes on the income from the securities withheld at source by the issuer or its agents; . . . "*

### **2. Information relating to an underlying index**

Annex XII paragraph 4.2.2 of the PD Regulation requires the inclusion in the prospectus of a description of an underlying index, if it is composed by the issuer. If it is composed by someone else, the issuer only has to indicate where information about the index can be found. This creates an unequal disclosure regime, with the sponsor of the index having to make more disclosure than others who may use the index. We understand this can lead to significant additional disclosure having to be included in the prospectus (running even to dozens of extra pages).

It would be helpful if this anomaly could be removed by allowing both the index owner and others to indicate where information on the index may be found.

### **3. Profit forecasts and estimates**

Under paragraph 9.2 of Annex IV of the PD Regulation, it is required that profit forecasts or profit estimates included in a prospectus be accompanied by an accountants' report stating that, in their opinion, the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.

In the turbulent market conditions of the financial crisis, it has become increasingly apparent that market announcements are taking on increasing importance and so may need to be disclosed in the prospectus. Such announcements may well include estimates or forecasts and so are subject to the above report requirement. However, accountancy firms have advised that they may not deliver such reports because the market announcements are issued in advance of the related financial results being finalised.

The net result of this is that issuers are not able to issue retail debt securities until the final results are published. This can cause serious problems for very frequent issuers, such as banks, that issue off their debt programmes on an almost daily basis.

The burden of such a requirement may be justified in other contexts where investors' ultimate economic exposure is much more substantial. This burden is, however, excessive in the context of debt securities.

It would therefore be helpful if the paragraph 9.2 requirement could be deleted to bring Annex IV in line with the provisions of Annex IX of the PD Regulation.

#### **4. Issues guaranteed by OECD regional and local authorities subject to similar disclosure**

Extending the scope of Annex XVII of the PD Regulation (currently applicable to issuers guaranteed by OECD member states) to cover issues guaranteed by the regional and local authorities of OECD member states would be helpful. As the credit risk accepted by investors relates to the regional or local authority guarantor that is already subject to PD Regulation Annex XVI disclosure, requiring a public sector guaranteed issuer to comply with the corporate disclosure Annexes seems unnecessary. This would, in particular, enable issuers guaranteed by an OECD regional or local authority to avoid the IFRS or equivalent financial statement requirements. Such requirements can be problematic for those public sector issuers using public sector accounting standards in order to facilitate consolidation of their results into their regional or local authority guarantor's financial statements (which also use public sector accounting standards). Incidentally, a similar suggestion might be made in the context of Article 8.1(a) of the Transparency Directive (Directive 2004/109/EC).

#### **5. Retail cascade**

The retail cascade involves the issuer selling the securities to investment banks underwriting the issue and organising the retail cascade (the Initial Offer) who, in turn, sell them to financial intermediaries appointed as retail distributors. Over a period of time ranging from several days to several months, which may extend beyond the closing date (when the securities come into being and the issuer receives the related funds) of the Initial Offer, the retail distributors then sell the securities to their retail investor clients (the Cascade Offers) at prices that may vary from sale to sale, reflecting market conditions at the time of sale.

There is a problem relating to retail cascades that needs to be resolved. Annexes V and XII of the PD Regulation contain various provisions requiring the inclusion in the prospectus of information on the terms of "the offer". Many of these provisions are problematic, because they could be considered to be applicable not just to the Initial Offer, but to subsequent Cascade Offers. For example, each Cascade Offer will have conditions to which it is subject (paragraph 5.1.1), an amount (paragraph 5.1.2), a period during which it is open (paragraph 5.1.3), a time for payment and delivery of the securities (paragraph 5.1.6) and an offer price (paragraph 5.3.1). Yet often few if any of these elements will be known at the time the issuer's prospectus is approved. This leaves two possibilities. Either the issuer will have to produce a supplement, or the relevant offeror will have to produce a new prospectus, each time a Cascade Offer is made. As Cascade Offers will potentially be made several times a day over a prolonged period, neither option is practicable.

In addition to impracticality, it is difficult to see what essential purpose would be served by requiring the production of a prospectus or supplement including this additional information. Each Cascade Offer will be made by the offering bank to its customer. The bank will (as a commercial matter and under the requirements of MiFID) make the offeree aware of the information that is specified in Annex V/XII paragraph 5. There seems to be no purpose in making that information available to anyone else through the publication of an approved prospectus.

However, where information specified in Annex V/XII paragraph 5 relating to distributors acting 'in association' with the issuer is known (or should have been known) to the issuer at the time of the issuer's publication of the prospectus, then such information should be included in the prospectus, unless it would be unreasonable to do so. This would be the case, for example in the case of subparagraph 5.1.1, where the "conditions to which the offer is subject" would in practice be the lengthy standard terms of business of each of, say, a dozen individual 'original' such distributors. Given that any one investor would only be concerned with one (if any) of the 'original' distributors, the resulting addition of dozens of pages to the prospectus could not be reasonably said to result in the prospectus being in "an easily analysable and comprehensible form" as required by the PD.

Set out at Schedules 3 and 4 is wording illustrative of a practical approach frequently used regarding Annex V paragraph 5 disclosure in retail cascade transactions under debt issuance programmes – similar or equivalent wording is used in the context of Annex XII disclosure and of stand-alone bond issues. This approach effectively completes Annex V/XII disclosure with information relating to the Initial Offer and then refers to any applicable arrangements in place between the relevant offeror and offeree of the individual Cascade Offers.

It is therefore suggested that the PD Regulation be amended by making it clear that “offer” when used in Annex V or XII paragraph 5 refers to the Initial Offer, and not to any subsequent offer by anyone else – except where the relevant information is known to issuer and can be reasonably included in the prospectus.

#### **F – Comparative table of Member State liability regimes**

It is unclear what consequential outcome is anticipated from such this exercise. This is because all jurisdictions’ national laws will already provide remedies for investors and the Commission will have limited powers to amend national contractual, tortious, criminal, consumer and administrative liability laws.

## Schedule 1A

### Draft Template Summary - Standalone Prospectus Version

**IMPORTANT NOTE TO DRAFT:** THIS DRAFT TEMPLATE SUMMARY (STANDALONE PROSPECTUS VERSION) HAS BEEN PREPARED FOR **PLAIN VANILLA ISSUES**. IT IS ACKNOWLEDGED THAT INITIATIVES IN THE CONTEXT OF PRIPS ARE CONTINUING, ALTHOUGH THE INTERACTION BETWEEN THE PRIPS KID AND PROSPECTUS DIRECTIVE SUMMARY IS NOT YET CLEAR. DEPENDING ON THE OUTCOME OF THE PRIPS INITIATIVE, FURTHER WORK MAY BE REQUIRED TO THIS DRAFT SUMMARY TEMPLATE.

#### SUMMARY

##### Purpose of this Summary

THIS SUMMARY IS AN INTRODUCTION TO THE [PROSPECTUS], AND IS PROVIDED AS AN AID TO INVESTORS WHEN CONSIDERING WHETHER TO INVEST IN THE [NOTES], BUT IS NOT A SUBSTITUTE FOR THE PROSPECTUS. ANY DECISION TO INVEST IN THE [NOTES] SHOULD BE BASED ON A CONSIDERATION OF THIS [PROSPECTUS] AS A WHOLE, INCLUDING THE DOCUMENTS INCORPORATED BY REFERENCE.

Following the implementation of the relevant provisions of the Prospectus Directive, as amended, in each Member State of the European Economic Area, no civil liability will attach to the Responsible Person[s] in any such Member State in respect of this Summary, including any translation of it, unless this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this [Prospectus] or it does not provide, when read together with the other parts of this [Prospectus], key information (as defined in Article 2.1(s) of the Prospectus Directive, as amended) in order to aid investors when considering whether to invest in the [Notes].

Where a claim relating to information contained in this [Prospectus] is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this [Prospectus] before the legal proceedings are initiated.

Words and expressions defined in "*Conditions of the [Notes]*" shall have the same meanings in this Summary.

##### Summary information on the Issuer [and the Guarantor]

**Issuer:** [Insert full name]

**Summary description of Issuer:** Short description of the essential characteristics of the Issuer (for example, jurisdiction of registration and business sector). Summarise key points on these from the "Description of the Issuer" section in the [Prospectus].

See "Description of the Issuer" [and ["Management of the Issuer"]] for further information on the Issuer's business [and management].

##### Summary financial information relating to the Issuer:

	As at/for the year ended [31 December] [ <i>most recent year</i> ]	As at/for the year ended [31 December] [ <i>previous year</i> ]
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[Total Assets]	●	●
[Total Liabilities]	●	●
[Total Shareholders' Equity]	●	●
[Total Revenue]	●	●
[Net Profit]	●	●



**Summary information on the Issuer [and the Guarantor]**

[NB include also key elements from most recent interim information if included in [Prospectus]].

[See ["Issuer Financial Information"] for further information on the Issuer's financial position and results of operations.][The Issuer's financial statements for [specify] are incorporated by reference into this [Prospectus], and copies can be obtained, as stated under ["Documents incorporated by reference"].]

**[Guarantor:]**

[Insert full name]

**[Summary description of Guarantor:]**

[Short description of the essential characteristics of the Guarantor (for example, jurisdiction of registration and business sector). Summarise key points on these from the "Description of the Guarantor" section in the [Prospectus].]

See "Description of the Guarantor" [and ["Management of the Guarantor"]] for further information on the Guarantor's business [and management].

**[Summary financial information relating to the Guarantor:]**

[As at/for the year ended [31 December] [most recent year]]	[As at/for the year ended [31 December] [previous year]]
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[Total Assets]	●	●
[Total Liabilities]	●	●
[Total Shareholders' Equity]	●	●
[Total Revenue]	●	●
[Net Profit]	●	●

[NB include also key elements from most recent interim information if included in [Prospectus]].

[See ["Guarantor Financial Information"] for further information on the Guarantor's financial position and results of operations.][The Guarantor's financial statements for [specify] are incorporated by reference into this [Prospectus], and copies can be obtained, as stated under ["Documents incorporated by reference"].]

**Summary information on the [Notes]**

<b>Description of [Notes]:</b>	[U.S.\$/€] [Amount] [[Coupon] per cent./ Floating Rate] [Guaranteed] [Notes] due ● (the [Notes])	<b>Issue Price:</b>	[●]
<b>Issue Date :</b>	[●]	<b>Interest:</b>	[insert details of rate/amount]
<b>Maturity Date:</b>	[●]	<b>Interest payment dates:</b>	[ ]

## Summary information on the [Notes]

### Form, denomination and clearing:

The [Notes] are in [*bearer/registered*] form, in denominations of [●, ● and ●]. [The [Notes] will initially be issued in the form of a [*include this and insert global details if will aid investors*], and are intended to be eligible collateral for Eurosystem monetary policy [*insert these details where relevant and if will aid investors*]]. [The [Notes] have been accepted for clearance through [*Euroclear, Clearstream, Luxembourg, [other]*]].]

### [Early Redemption:

[*Specify*]]

### [[Issuer] Negative Pledge:

The [Notes] contain a negative pledge provision [which [*include basic description of the key features set out in Condition [Negative Pledge]*]].]

### [Guarantor Negative Pledge:

The Guarantee will [not] contain a negative pledge provision [which [*include basic description of the key features set out in the Guarantee]*]].]

### [Guarantee:

Payments in respect of the [Notes] will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will [(subject to the provisions of the Guarantor's negative pledge)] be unsecured obligations and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.]

### [Status of the [Notes]:

The [Notes] will constitute direct, unconditional, unsubordinated and [(subject to the provisions of Condition [*Negative Pledge*]]) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.]

### [Subordination:

Payments in respect of the [Notes] will be subordinated as described in Condition [*Status of the [Notes] [and the Guarantee] [and Subordination]*]].]

### Withholding Tax and Additional Amounts:

All payments in respect of the [Notes] will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition [*Taxation*]. In the event that any such deduction is made, the Issuer [or, as the case may be, the Guarantor] will, save in certain limited circumstances provided in Condition [*Taxation*], be required to pay

additional amounts to cover the amounts so deducted.

### [Trustee:

[●]]

### [Fiscal Agent:

[●]]

## Summary information on the [Notes]

### Events of Default:

[Events of Default under the [Notes] include non-payment of principal or interest for ● days, breach of other obligations under the [Notes] [or the Trust Deed] (which breach is not remedied within ● days), *[include a summary of any cross-default]* and certain events related to insolvency or winding up of the Issuer [, the Guarantor] [or any Principal Subsidiary].]

### Governing law:

English [except *[describe any exception e.g. subordination provisions]*]

### Listing and admission to trading:

[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.] [This Prospectus has been approved by the CSSF as a prospectus and application has been made to the Luxembourg Stock Exchange for the listing of the [Notes] on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market.]

### [Credit Ratings:

The [Notes] are expected to be assigned on issue a rating of ● by ●. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]

## Summary of Risks involved in investing in the [Notes]

**AN INVESTMENT IN THE [NOTES] INVOLVES RISK. [CERTAIN] KEY RISKS ARE SUMMARISED BELOW. FURTHER DETAILS OF THE RISKS CAN BE FOUND AT PAGES [●]–[●].**

**There are certain factors that may affect the Issuer's ability to fulfil its obligations under the [Notes].** These include *[set out [all/most significant] risk factor headings in bullet point/list form].*

**[There are certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee.** These include *[set out [all/most significant] risk factor headings in bullet point/list form].*

**There are certain factors which are material for the purpose of assessing the risks associated with an investment in the [Notes].** These include *[set out [all/most significant] risk factor headings in bullet point/list form. Focus on summarising risk factors which convey the inherent risk in investing in the Notes themselves (risks arising by virtue of the operation of the terms of the Notes, rather than pure market risks), e.g. risk factors included in the Prospectus because (i) principal/interest is determined by reference to factors such as an index, changes in the prices of securities or commodities, movements in currency exchange rates, inverse floating rates or (ii) the Notes include other terms directly impacting on the principal/interest received (e.g. Subordinated Notes). There may be no such risks to summarise in a plain vanilla Note context. ]*

## Summary information on the Offer

### [Offer:

The [Notes] will be offered within one of the exemptions set out in Article 3.2 of the Prospectus Directive, as implemented in the relevant jurisdictions. For provisions

## Summary information on the Offer

and restrictions relating to offers of [Notes] to the public in the European Economic Area, see "*Subscription and Sale*" below.

### Selling Restrictions:

The [Notes] have not been and will not be registered under the [United States] Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The [Notes] may be sold in other jurisdictions (including ● and other Member States of the European Economic Area) only in compliance with applicable law and regulations. See "*Subscription and Sale*" below.

### Reasons for the Offer:

[*Insert details from "Use of Proceeds" section*]

OR

### [Public Offer:

The [Notes] may be offered to the public during the Offer Period (below) in each of [*insert references to Member States where non-exempt public offer to be made i.e. where prospectus will be approved and passported*]. For provisions and restrictions relating to offers of [Notes] to the public in the European Economic Area, see "*Subscription and Sale*" below.

### Public Offer Period:

From ● to ●.

### Further Public Offer details:

The price at which the [Notes] will be offered by any [Distributors] will be determined by the relevant [Distributor] at the time of any offer in accordance with market conditions then prevailing. The offer by any [Distributor] will also be made in accordance with other terms (including as to settlement). Further details can be found on the cover and inside cover of this [Prospectus].

### Selling Restrictions:

The [Notes] have not been and will not be registered under the [United States] Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The [Notes] may be sold in other jurisdictions (including ● and other Member States of the European Economic Area) only in compliance with applicable law and regulations. See "*Subscription and Sale*" below.

### Reasons for the Offer:

[*Insert details from "Use of Proceeds" section*]

**Schedule 1B**  
**Checklist Against PD Amendment Requirements**  
**(Draft Template Summary - Standalone Prospectus Version)**

Article of the adopted amendments		Summary page/paragraph
Article 2.1(s)	Introductory paragraph	See type, and layout, of information referred to below against Article 2.1(s)
Article 2.1(s)(i)	Risks	Page 4: "Summary of risks involved in investing in the Notes" box - 2nd and 3rd paragraphs
	Essential characteristics of issuer and guarantor	Pages 1 and 2: "Summary information on the Issuer and the Guarantor" box, including tables for financial information
Article 2.1(s)(ii)	Risks	Page 4: "Summary of risks involved in investing in the Notes" box - 4th paragraph
	Essential characteristics of security including rights	End of page 2 to page 4: "Summary information on the Notes" box
Article 2.1(s)(iii)	Terms of the offer	Pages 5/6 "Summary information on the offer" box. (Note alternatives – either first three paragraphs (if exempt offer) or last five paragraphs (if non-exempt offer).)
Article 2.1(s)(iv)	Admission to trading	Page 4: "Summary information on the Notes" box
Article 2.1(s)(v)	Reasons for offer and use of proceeds	Pages 5/6: "Summary information on the offer" box (last paragraph of each alternative)
Article 5.2, first para.	Approach	See approach and layout adopted generally.
	Key information	See above, against Article 2.1(s)
	Last sentence	See summary generally, and page 1: "Purpose of this Summary" box – 1st paragraph
Article 5.2, second para.	Common format	Layout of summary into five clear topic boxes will facilitate comparability
	Key information	See above, against Article 2.1(s)
	Purpose	Generally, and page 1: "Purpose of this Summary" box – 1st paragraph
Article 5.2(a)	Warning re intro.	Page 1: "Purpose of this Summary box" – 1st paragraph
Article 5.2(b)	Warning re consideration of whole prospectus	Page 1: "Purpose of this Summary" box – 1st paragraph
Article 5.2(c)	Warning re translation costs in proceedings	Page 1: "Purpose of this Summary" box – 3rd paragraph
Article 5.2(d)	Warning re liability	Page 1: "Purpose of this Summary" box – 2nd paragraph
Article 6.2, second para	Liability	Page 1: "Purpose of this Summary" box – 2nd paragraph

## Schedule 2A

### Draft Template Summary (Base Prospectus Version)

**IMPORTANT NOTE TO DRAFT:** THIS DRAFT TEMPLATE SUMMARY (BASE PROSPECTUS VERSION) HAS BEEN PREPARED FOR **PLAIN VANILLA PROGRAMMES**. IT IS ACKNOWLEDGED THAT INITIATIVES IN THE CONTEXT OF PRIPS ARE CONTINUING, ALTHOUGH THE INTERACTION BETWEEN THE PRIPS KID AND PROSPECTUS DIRECTIVE SUMMARY IS NOT YET CLEAR. DEPENDING ON THE OUTCOME OF THE PRIPS INITIATIVE, FURTHER WORK MAY BE REQUIRED TO THIS DRAFT SUMMARY TEMPLATE.

#### SUMMARY

##### Purpose of this Summary

THIS SUMMARY IS AN INTRODUCTION TO THE [BASE PROSPECTUS], AND IS PROVIDED AS AN AID TO INVESTORS WHEN CONSIDERING WHETHER TO INVEST IN ANY [NOTES], BUT IS NOT A SUBSTITUTE FOR THE [BASE PROSPECTUS]. ANY DECISION TO INVEST IN ANY [NOTES] SHOULD BE BASED ON A CONSIDERATION OF THIS [BASE PROSPECTUS] AS A WHOLE, INCLUDING ANY DOCUMENTS INCORPORATED BY REFERENCE.

Following the implementation of the relevant provisions of the Prospectus Directive, as amended, in each Member State of the European Economic Area, no civil liability will attach to the Responsible Person[s] in any such Member State in respect of this Summary, including any translation of it, unless this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this [Base Prospectus] or it does not provide, when read together with the other parts of this [Base Prospectus], key information (as defined in Article 2.1(s) of the Prospectus Directive, as amended) in order to aid investors when considering whether to invest in any [Notes].

Where a claim relating to information contained in this [Base Prospectus] is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this [Base Prospectus] before the legal proceedings are initiated.

Words and expressions defined in ["*Form of the [Notes]*"] and ["*Terms and Conditions of the [Notes]*"] shall have the same meanings in this Summary.

##### Summary information on the Issuer [and the Guarantor]

**Issuer:** [Insert full name]

**Summary description of Issuer:** Short description of the essential characteristics of the Issuer (for example, jurisdiction of registration and business sector). Summarise key points on these from the "Description of the Issuer" section in the [Base Prospectus].

See "Description of the Issuer" [and ["Management of the Issuer"]] for further information on the Issuer's business [and management].

Summary financial information relating to the Issuer:	As at/for the year	As at/for the year
	ended [31 December] [most recent year]	ended [31 December] [previous year]
[Total Assets]	●	●
[Total Liabilities]	●	●
[Total Shareholders' Equity]	●	●

**Summary information on the Issuer [and the Guarantor]**

[Total Revenue]	•	•
[Net Profit]	•	•

[NB include also key elements from most recent interim information if included in [Base Prospectus]].

[See ["Issuer Financial Information"] for further information on the Issuer's financial position and results of operations.][The Issuer's financial statements for [specify] are incorporated by reference into this [Base Prospectus], and copies can be obtained, as stated under ["Documents incorporated by reference"].]

**[Guarantor:]**

[Insert full name]

**[Summary description of Guarantor:]**

[Short description of the essential characteristics of the Guarantor (for example, jurisdiction of registration and business sector). Summarise key points on these from the "Description of the Guarantor" section in the [Base Prospectus].]

See "Description of the Guarantor" [and ["Management of the Guarantor"]] for further information on the Guarantor's business [and management].

**[Summary financial information relating to the Guarantor:]**

	[As at/for the year ended [31 December] [most recent year]]	[As at/for the year ended [31 December] [previous year]]
[Total Assets]	•	•
[Total Liabilities]	•	•
[Total Shareholders' Equity]	•	•
[Total Revenue]	•	•
[Net Profit]	•	•

[NB include also key elements from most recent interim information if included in [Base Prospectus]].

[See ["Guarantor Financial Information"] for further information on the Guarantor's financial position and results of operations.][The Guarantor's financial statements for [specify] are incorporated by reference into this [Base Prospectus], and copies can be obtained, as stated under ["Documents incorporated by reference"].]

**Summary information on [Notes]**

**Currencies:**

[Notes] may be denominated in any currency (as specified in the applicable Final Terms), subject to any applicable legal or regulatory restrictions and any requirements of the relevant central bank (or equivalent body).

**Issue Price:**

[Notes] may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par (as specified in the applicable Final Terms).

## Summary information on [Notes]

<b>Maturities:</b>	[Notes] will have such maturities as may be agreed between the Issuer and the relevant Dealer(s) (as specified in the applicable Final Terms), subject to such maximum or minimum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.	<b>Interest:</b>	[Notes] may be interest bearing or non-interest bearing. Interest periods and rates of interest may differ depending on the [Notes] being issued and the terms relating to interest will be specified in the applicable Final Terms.
<b>Form and clearing:</b>			[Notes] will be issued in bearer or registered form as set out in the applicable Final Terms. Registered [Notes] will not be exchangeable for Bearer [Notes] and <i>vice versa</i> . [Each Tranche of Bearer [Notes] will initially be represented by one or more Global [Notes] (as specified in the applicable Final Terms).] [Each Tranche of Registered [Notes] will be represented by one or more Global [Notes] (as specified in the applicable Final Terms).] [The applicable final terms will specify whether or not the [Notes] are intended to be held in a manner which would allow them to be eligible collateral for Eurosystem monetary policy [ <i>insert these details where relevant</i> ].] The applicable Final Terms will provide details of the clearing systems through which the [Notes] have been accepted for clearance.
<b>Denomination:</b>			[Notes] will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of each [Note] will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency[, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be [€1,000] (or, if the [Notes] are denominated in a currency other than euro, the equivalent amount in such currency)].
<b>Fixed Rate [Notes]:</b>			Fixed Interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (all as specified in the applicable Final Terms).



## Summary information on [Notes]

### Floating Rate [Notes]:

Floating Rate [Notes] will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the [Notes] of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate [Notes] (all as specified in the applicable Final Terms).

### Index Linked [Notes]:

Payments of principal in respect of Index Linked Redemption [Notes] or of interest in respect of Index Linked Interest [Notes] will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree (as specified in the applicable Final Terms).

### Other provisions in relation to Floating Rate [Notes] and Index Linked Interest [Notes]:

Floating Rate [Notes] and Index Linked Interest [Notes] may also have a maximum interest rate, a minimum interest rate or both, as specified in the applicable Final Terms.

Interest on Floating Rate [Notes] and Index Linked Interest [Notes] in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s).

### Dual Currency [Notes]:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual

Currency [Notes] will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree (as specified in the applicable Final Terms).

### Zero Coupon [Notes]:

Zero Coupon [Notes] will be offered and sold at a discount to their nominal amount and will not bear interest.

## Summary information on [Notes]

### Redemption:

The applicable Final Terms will indicate either that the relevant [Notes] cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such [Notes] will be redeemable at the option of the Issuer and/or the Noteholders. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.

The applicable Final Terms may provide that [Notes] may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

### [[Issuer] Negative Pledge:

The [Notes] will [not] contain a negative pledge provision [which [*include basic description of the key features set out in Condition [Negative Pledge]*]].]

### [Guarantor Negative Pledge:

The Guarantee will [not] contain a negative pledge provision [which [*include basic description of the key features set out in the Guarantee]*]].]

### [Guarantee:

Payments in respect of [Notes] will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will [(subject to the provisions of the Guarantor's *negative pledge*)] be unsecured obligations and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.]

### [Status of [Senior] [Notes]:

[Senior] [Notes] will constitute direct, unconditional, unsubordinated and [(subject to the provisions of Condition [*Negative Pledge*])] unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.]

### [Subordination:

Payments in respect of Subordinated [Notes] will be subordinated as described in Condition [*Status of the*

*[Notes]*] [*and the Guarantee*] [*and Subordination*].]

### Withholding Tax and Additional Amounts:

All payments in respect of [Notes] will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition [*Taxation*]. In the event that any such deduction is made, the Issuer [or, as the case may be, the Guarantor] will, save in certain limited circumstances provided in Condition [*Taxation*], be required to pay additional amounts to cover the amounts so deducted.

## Summary information on [Notes]

<b>[Trustee:</b>	[●]
<b>[Fiscal Agent:</b>	[●]
<b>Events of Default:</b>	[Events of Default under [Notes] include non- payment of principal or interest for ● days, breach of other obligations under [Notes] [or the Trust Deed] (which breach is not remedied within ● days), [ <i>include a summary of any cross-default</i> ] and certain events related to insolvency or winding up of the Issuer [, the Guarantor] [or any Principal Subsidiary].]
<b>Governing law:</b>	English [except [ <i>describe any exception e.g. subordination provisions</i> ]]
<b>Listing and admission to trading:</b>	<p>[Application has been made to the UK Listing Authority for [Notes] issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such [Notes] to be admitted to trading on the London Stock Exchange's regulated market.] [This Base Prospectus has been approved by the CSSF as a base prospectus. Application has been made to the Luxembourg Stock Exchange for [Notes] issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market.]</p> <p>[Notes] may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer(s) in relation to the Series. [Notes] which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant [Notes] are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
<b>Credit Ratings:</b>	The rating of certain Series of [Notes] to be issued under the Programme may be specified in the applicable Final Terms.

## Summary of Risks involved in investing in [Notes]

**AN INVESTMENT IN [NOTES] ISSUED UNDER THE PROGRAMME INVOLVES RISK. [CERTAIN] KEY RISKS ARE SUMMARISED BELOW. FURTHER DETAILS OF APPLICABLE RISKS CAN BE FOUND AT PAGES [●]–[●].**

**There are certain factors that may affect the Issuer's ability to fulfil its obligations under [Notes] issued under the Programme.** These include [*set out [all/most significant] risk factor headings in bullet point/list form*].

**[There are certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee.** These include [*set out [all/most significant] risk factor headings in bullet point/list form*].]

**There are certain factors which are material for the purpose of assessing the risks associated with an investment in [Notes] issued under the Programme.** These depend on the features of the relevant [Notes] and may include [*set out [all/most significant] risk factor headings in bullet point/list form. Focus on summarising risk factors which convey the inherent risk in investing in [Notes] issued under the Programme (risks arising by virtue of the*

## Summary of Risks involved in investing in [Notes]

operation of the terms of [Notes], rather than pure market risks), e.g. risk factors included in the Base Prospectus because (i) principal/interest on some [Notes] is determined by reference to factors (or reference items) such as an index, formula, changes in the prices of securities or commodities, movements in currency exchange rates, inverse floating rates or (ii) some [Notes] under the Programme include other terms directly impacting on the principal/interest received (e.g. Subordinated [Notes]). There may be no such risks to summarise where only plain vanilla [Notes] can be issued under the Programme. ]

## Summary information on offers under the Programme

### Distribution and Offers:

[Notes] may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

[Notes] may be offered (i) within one of the exemptions set out in Article 3.2 of the Prospectus Directive, as implemented in the relevant jurisdictions; and/or (ii) to the public during the Offer Period, and in the Public Offer Jurisdictions, specified in the applicable Final Terms. In the case of (ii), the price at which any [Notes] may be offered by any [Distributors] may be determined by the relevant [Distributor] at the time of any offer in accordance with market conditions then prevailing and any such offer by such [Distributors] may also be made in accordance with other terms (including as to settlement). Further details may be found in the applicable Final Terms and on the cover and inside cover of this [Base Prospectus]. For provisions and restrictions relating to offers of [Notes] to the public in the European Economic Area, see "*Subscription and Sale*" below.

### Selling Restrictions:

[Notes] have not been and will not be registered under the [United States] Securities Act and, subject to certain exceptions, may not be offered or sold within the United

States. [Notes] may be sold in other jurisdictions (including ● and other Member States of the European Economic Area) only in compliance with applicable law and regulations. See "*Subscription and Sale*" below.

### Programme size:

[Up to [U.S.\$]● (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer [and the Guarantor] may increase the amount of the Programme in accordance with the terms of the Programme Agreement.] [The Programme is unlimited in amount.]

### Reasons for the Offer:

[Insert details from "*Use of Proceeds*" section]

**Schedule 2B**

**Checklist Against PD Amendment Requirements  
(Draft Template Summary - Base Prospectus Version)**

Article of the adopted amendments		Summary page/paragraph
Article 2.1(s)	Introductory paragraph	See type, and layout, of information referred to below against Article 2.1(s)
Article 2.1(s)(i)	Risks	Page 7: "Summary of risks involved in investing in Notes" box - 2nd and 3rd paragraphs
	Essential characteristics of issuer and guarantor	Pages 1 and 2: "Summary information on the Issuer and the Guarantor" box, including tables for financial information
Article 2.1(s)(ii)	Risks	Page 7: "Summary of risks involved in investing in Notes" box - 4th paragraph
	Essential characteristics of security including rights	End of page 2 to page 6: "Summary information on Notes" box
Article 2.1(s)(iii)	Terms of the offer	Pages 7/8: "Summary information on Offers under the Programme" box.
Article 2.1(s)(iv)	Admission to trading	Page 6: "Summary information on Notes" box
Article 2.1(s)(v)	Reasons for offer and use of proceeds	Page 8: "Summary information on Offers under the Programme"
Article 5.2, first para.	Approach	See approach and layout adopted generally.
	Key information	See above, against Article 2.1(s)
	Last sentence	See summary generally, and page 1: "Purpose of this Summary" box – 1st paragraph
Article 5.2, second para.	Common format	Layout of summary into five clear topic boxes will facilitate comparability
	Key information	See above, against Article 2.1(s)
	Purpose	Generally, and page 1: "Purpose of this Summary" box – 1st paragraph
Article 5.2(a)	Warning re intro.	Page 1: "Purpose of this Summary" box – 1st paragraph
Article 5.2(b)	Warning re consideration of whole prospectus	Page 1: "Purpose of this Summary" box – 1st paragraph
Article 5.2(c)	Warning re translation costs in proceedings	Page 1: "Purpose of this Summary" box – 3rd paragraph
Article 5.2(d)	Warning re liability	Page 1: "Purpose of this Summary" box – 2nd paragraph
Article 6.2, second para	Liability	Page 1: "Purpose of this Summary" box – 2nd paragraph

### Schedule 3

#### ICMA's IPMA pro forma final terms

The below is extracted from the IPMA pro forma final terms for use in connection with issues of securities with a denomination of less than €50,000 to be admitted to trading on an EEA regulated market and/or offered to the public on a non-exempt basis in the EEA.

*<< The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:*

- (i) 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; or*
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. >>*

An issuer might perhaps then complete Paragraph 37 with wording essentially to the effect that:

*<< An offer of the Notes may be made by the Managers and other parties authorised by the Managers (the "Placers") other than pursuant to Article 3(2) of the Prospectus Directive in [country A, country B and country C] during the Offer Period. >>*

"Offer Period" might simply be defined by reference to two specific dates. The "Managers" would be specific institutions named in the final terms.

## Schedule 4

### Example PD Regulation Annex V wording

Below is selected example Annex V wording illustrating the reference to the relationship between the relevant offeror and offeree of the individual Cascade Offers.

Annex V reference	Example wording concerning Cascade Offers
Offer Price:	<i>“Managers and Placers will offer and sell the Notes to their customers in accordance with arrangements in place between each such Manager and its customers (including Placers) or each such Placer and its customers by reference to the Issue Price and market conditions prevailing at the time.”</i>
Conditions to which the offer is subject:	<i>“As between Managers and their customers (including Placers) or between Placers and their 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.”</i>
Description of the application process:	<i>“A prospective Noteholder will purchase the Notes in accordance with the arrangements in place between the relevant Manager and its customers or the relevant Placer and its customers, relating to the purchase of securities generally.”</i>
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	<i>“Prospective Noteholders will be notified by the relevant Manager or Placer in accordance with the arrangements in place between such Managers or Placers and its customers.”</i>