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THE FOLLOWING BASE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Base Offering Memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in the U.S. Tax Code). By accepting the e-mail and accessing this Base Offering Memorandum, you shall be deemed to have represented to us that you are not a U.S. person (as defined in the U.S. Tax Code); the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of such Base Offering Memorandum by electronic transmission.

You are reminded that this Base Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Base Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Base Offering Memorandum to any other person.

This Base Offering Memorandum does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arranger and Dealers (as defined herein) or any affiliate of the Arranger or applicable Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger or such Dealer or such affiliate on behalf of New Development Bank (the "**Issuer**") in such jurisdiction.

Under no circumstances shall this Base Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. This Base Offering Memorandum may only be communicated to persons in the United Kingdom (the "**UK**") in circumstances where Section 21(1) of the Financial Services and Markets Act 2000, as amended, does not apply.

This Base Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Arranger, the Dealers nor any person who controls any of the foregoing nor any director, officer, employee representative nor agent of any of the foregoing nor affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Issuer or the Paying Agents described herein.

BASE OFFERING MEMORANDUM



NEW DEVELOPMENT BANK

U.S.\$50,000,000,000

Euro Medium Term Note Programme

Under this U.S.\$50,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), New Development Bank ("**NDB**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The Issuer was formed by the respective Governments of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, pursuant to the Issuer's Articles of Agreement which entered into force on 3 July 2015 (the "**Articles of Agreement**"). The People's Republic of Bangladesh and the United Arab Emirates became members of the Issuer on 16 September 2021 and 4 October 2021, respectively.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$50,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined in "*Subscription and Sale*")), subject to increase as described herein. The Notes may be issued on a continuing basis to the Dealer(s) specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Offering Memorandum (the "**Base Offering Memorandum**") to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in the Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application will be made to the Financial Conduct Authority (the "**FCA**") under Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**") for Notes issued under the Programme to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes to be admitted to trading on the main market of the London Stock Exchange (the "**Main Market**"). The Main Market is a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**"). Application may also be made for any Notes specified as Green Bonds", "Social Bonds" or "Sustainability Bonds" to be displayed on the London Stock Exchange's Sustainable Bond Market ("**SBM**"). For the purposes of such applications, the Issuer is an exempt issuer pursuant to Article 1(2) of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Accordingly, this Base Offering Memorandum has not been reviewed or approved by the FCA as competent authority under the UK Prospectus Regulation. However, Notes may be listed on any other stock exchange or market and unlisted Notes may be issued under the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Main Market (or any other stock exchange) and if (in the case of Green Bonds", "Social Bonds" or "Sustainability Bonds") such Green Bonds", "Social Bonds" or "Sustainability Bonds" will be displayed on the London Stock Exchange's SBM.

This Base Offering Memorandum supersedes and replaces the base prospectus dated 22 December 2020 (and any supplements thereto). Any Notes issued under the Programme on or after the date of this Base Offering Memorandum are issued subject to the provisions described herein.

Each Series (as defined in "*Overview of the Programme – Distribution*") of Notes will be represented on issue by either: (i) a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**"); or (ii) a global note certificate (each a "**Global Note Certificate**") in registered form. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Overview – Form of the Notes*".

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the applicable Pricing Supplement, 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 (as defined below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act (see "*Subscription and Sale*").

The Issuer has been rated AA+ by Standard and Poor's Global Ratings ("**S&P**"), AA+ by Fitch Ratings Inc. ("**Fitch**"), AAA by Japan Credit Rating Agency, Ltd. ("**JCR**") and AAA by Analytical Credit Rating Agency (Joint Stock Company) ("**ACRA**"). S&P, Fitch, JCR and ACRA are not established in the European Economic Area (the "**EEA**") or the UK and S&P, Fitch and ACRA are not certified under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**") or Regulation (EC) No. 1060/2009 as it forms

part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"), respectively. JCR is certified under the UK CRA Regulation.

A security 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.

Arranger and Dealer

HSBC

The date of this Base Offering Memorandum is 25 February 2022

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Base Offering Memorandum and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Offering Memorandum is in accordance with the facts and makes no omission likely to affect the import of such information.

The Dealers have not independently verified the information contained herein (including any information incorporated by reference herein). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Offering Memorandum or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Offering Memorandum or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Offering Memorandum or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Offering Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Offering Memorandum, or accepts any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Offering Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Offering Memorandum is true subsequent to the date hereof or the date upon which this Base Offering Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Offering Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Offering Memorandum nor any other information supplied in connection with the Programme or any Notes: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Offering Memorandum or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Offering Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Offering Memorandum nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In addition, the applicable Pricing Supplement will disclose whether or not a rating in relation to the relevant Tranche of Notes will be treated as having been issued by: (a) a credit rating agency established in the European Union (the "**EU**") and registered under the CRA Regulation; (b) a credit rating agency established in a country outside the EU, in circumstances in which either (i) the relevant credit rating is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation, or (ii) the relevant country is the subject of an equivalence decision by the European Commission and the credit rating agency is certified in accordance with the CRA Regulation; (c) a credit rating agency established in the UK and registered under the UK CRA Regulation; or (d) a credit rating agency established in a country other than the UK, in circumstances in which either (i) the relevant credit rating is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation, or (ii) the relevant country is the subject of an equivalence decision by the UK and the credit rating agency is certified in accordance with the UK CRA Regulation. The CRA Regulation and the UK CRA Regulation impose restrictions on the use of ratings for regulatory purposes by certain investors, as described in "**Risk Factors**" herein.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE OFFERING MEMORANDUM AND OFFERS OF NOTES GENERALLY

THE NOTES ARE NOT OBLIGATIONS OF ANY GOVERNMENT.

This Base Offering Memorandum may only be used for the purposes for which it has been published.

This Base Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Offering Memorandum 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 assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Offering Memorandum 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 Offering Memorandum 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. Persons into whose possession this Base Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Offering Memorandum and the offer or sale of Notes in the United States, the EEA, the UK, Hong Kong, Japan, Singapore and Switzerland - see "*Subscription and Sale*".

This Base Offering Memorandum has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") to publish a prospectus. As a result, any offer of Notes in any Member State of the EEA must be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Member State 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 Regulation in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish a prospectus for such offer.

Singapore SFA Product Classification: The Pricing Supplement in respect of any Notes may include a legend entitled "**Singapore Securities and Futures Act Product Classification**" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) (the "**SFA**"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for the purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for the purposes of section 309B(1)(c) of the SFA.

Ratings

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, rating agencies may assign unsolicited ratings to the Notes. In such circumstances, there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes, which could adversely affect the market value and liquidity of the Notes.

In general (and subject to certain conditions and, where applicable, certain transitional arrangements), EU regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by (a) a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended); or (b) a credit rating agency established in a country outside the EU, in circumstances in which either (i) the relevant credit rating is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation (and such endorsement has not been withdrawn), or (ii) the relevant country is the subject of an

equivalence decision by the European Commission and the credit rating agency is certified in accordance with the CRA Regulation (and such certification has not been suspended).

In addition, in general (and subject to certain conditions and, where applicable, certain transitional arrangements), UK regulated investors are restricted under the UK CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by (a) a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended); or (b) a credit rating agency established in a country other than the UK, in circumstances in which either (i) the relevant credit rating is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such endorsement has not been withdrawn), or (ii) the relevant country is the subject of an equivalence decision by the UK and the credit rating agency is certified in accordance with the UK CRA Regulation (and such certification has not been suspended).

If any applicable requirements of the CRA Regulation or the UK CRA Regulation are not, or cease to be, satisfied with regard to any rating of the Notes, EU regulated investors or, as applicable, UK regulated investors may not be able to use such rating for regulatory purposes and the Notes may have a different regulatory treatment for such investors. This may result in EU regulated investors or UK regulated investors, as applicable, being unable to acquire, or being obliged to sell, the Notes; and this may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation, and the list of registered and certified rating agencies published by the FCA on its website in accordance with the UK CRA Regulation, are not conclusive evidence of the status of any such rating agency, as there may be a delay between certain supervisory measures being taken against a relevant rating agency and the relevant list being updated.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement 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, stabilisation may not necessarily occur. Any stabilisation 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 cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must make its own assessment as to the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Offering Memorandum or any applicable supplement;
- (ii) has 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) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to 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: (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) 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.

Currency Conversions

Investors will be required to pay for Notes of a particular issue in the Specified Currency for such issue. To enable investors whose financial activities are denominated principally in a currency other than the Specified Currency to pay for Notes in the Specified Currency, the Issuer may, under certain terms and conditions, arrange for the conversion of any such other currency into the Specified Currency. Each such conversion will be made by such entity named in the applicable Pricing Supplement (such entity may be the Issuer, a Dealer or any other entity appointed by the Issuer to such role) on such terms and subject to such conditions, limitations and charges as such entity may from time to time establish in accordance with its regular foreign exchange practices, and subject to any applicable laws and regulations. All costs of conversion will be borne by such investors.

Forward-Looking Statements

This Base Offering Memorandum includes certain forward-looking statements. All statements other than statements of historical fact included in this Base Offering Memorandum regarding, among other things, the fiscal condition, debt or prospects of the Issuer may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "project", "intend", "estimate", "anticipate", "believe", "continue", "could", "should", "would", "assume" or the like. Although the Issuer believes that expectations reflected in its forward-looking statements are reasonable as at the date of this Base Offering Memorandum, there can be no assurance that such expectations will prove to have been correct and actual results may differ materially. The Issuer undertakes no obligation to update the forward-looking statements contained in this Base Offering Memorandum or any other forward-looking statement it may make.

PRESENTATION OF INFORMATION

In this Base Offering Memorandum, all references to:

- References in this Base Offering Memorandum to the "**Group**" are to the Issuer and its consolidated subsidiaries from time to time, taken as a whole;
- "**U.S. dollars**", "**USD**", "**U.S.\$**" and "**\$**" refer to United States dollars;
- "**Sterling**", "**GBP**" and "**£**" refer to pounds sterling; and
- "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

The language of the Base Offering Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Offering Memorandum should be read and construed in conjunction with the following information which has been previously published or is published simultaneously with this Base Offering Memorandum:

Financial Statements

1. the Report on Review of Condensed Financial Statements and unaudited Condensed Financial Statements for of the Issuer in respect of the nine months ended 30 September 2021 (found at: <https://www.ndb.int/wp-content/uploads/2022/01/NDB.pdf>) (the "**Interim Financial Statements**");
2. the Independent Auditor's Report and the audited financial statements (including the notes thereto) of the Issuer in respect of the year ended 31 December 2019 (set out on pages 84 to 127, of the 2019 Annual Report of the Issuer found at: <https://www.ndb.int/annual-report-2019>) (the "**2019 Financial Statements**"); and
3. the Independent Auditor's Report and the audited financial statements (including the notes thereto) of the Issuer in respect of the year ended 31 December 2020 (set out on pages 92 to 140, of the 2020 Annual Report of the Issuer found at: https://www.ndb.int/wp-content/uploads/2021/07/NDB-AR-2020_complete_v3.pdf) (the "**2020 Financial Statements**");

The Interim Financial Statements have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting". The condensed statement of profit or loss and other comprehensive income and relevant notes for the year ended 31 December 2020 is also presented in the Interim Financial Statements.

Terms and Conditions

4. the terms and conditions set out on pages 28 to 58 of the base prospectus dated 12 December 2019 relating to the Programme under the heading "*Terms and Conditions of the Notes*" found at: https://www.ise.ie/debt_documents/Base%20Prospectus_21fff20a-4b1f-4e95-85ac-5dbefd7c365b.pdf (the "**2019 Conditions**");
5. the terms and conditions set out on pages 31 to 65 of the base prospectus dated 22 December 2020 relating to the Programme under the heading "*Terms and Conditions of the Notes*" found at: https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_6c22d9d2-3ac6-4304-911a-74e4aeea04dd.pdf (the "**2020 Conditions**");

Future financial statements

6. all future audited annual financial statements of the Issuer published from time to time, beginning with such financial statements as at and for the year ending 31 December 2021; and
7. all future interim financial statements of the Issuer (which may be unaudited) published from time to time, beginning with such financial statements for the three months ending 31 March 2022.

Such documents shall be incorporated in and form part of this Base Offering Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Offering Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Offering Memorandum. Those parts of the documents incorporated by reference in this Base Offering Memorandum which are not specifically incorporated by reference in this Base Offering Memorandum are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Base Offering Memorandum. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Offering Memorandum shall not form part of this Base Offering Memorandum. Unless specifically incorporated by reference into this Base Offering Memorandum, information contained on any website does not form part of this Base Offering Memorandum.

Copies of documents incorporated by reference in this Base Offering Memorandum may be obtained without charge from the registered office of the Issuer and are available for viewing on the website of the Issuer following the links above.

SUPPLEMENTARY PROSPECTUS

Following the publication of this Base Offering Memorandum, a supplement may be prepared by the Issuer.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Offering Memorandum which may affect the assessment of any Notes, prepare a supplement to this Base Offering Memorandum.

CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	ix
SUPPLEMENTARY PROSPECTUS	xi
RISK FACTORS	1
OVERVIEW OF THE PROGRAMME	13
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	17
FORM OF THE NOTES	20
APPLICABLE PRICING SUPPLEMENT	21
TERMS AND CONDITIONS OF THE NOTES	34
USE OF PROCEEDS	71
DESCRIPTION OF THE ISSUER.....	72
TAXATION	86
SUBSCRIPTION AND SALE.....	88
GENERAL INFORMATION	92

RISK FACTORS

In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Offering Memorandum a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Offering Memorandum and reach their own views prior to making any investment decision.

Risks related to the Issuer

The Issuer is an international financial institution and Notes issued under the Programme are not guaranteed by any sovereign entity or agency

The Issuer is an international organisation founded by the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa (collectively, the "**BRICS**" countries) with the People's Republic of Bangladesh ("**Bangladesh**") and the United Arab Emirates becoming members of the Issuer on 16 September 2021 and 4 October 2021, respectively, (together, with the BRICS countries, the "**member states**") pursuant to the Articles of Agreement (as defined herein). The Oriental Republic of Uruguay ("**Uruguay**") and the Arab Republic of Egypt ("**Egypt**") are prospective members of the Issuer and will each become official members of the Issuer once they deposit their respective instruments of accession. The Articles of Agreement have the status of a treaty under public international law and the Issuer is a creation of, and subject to, public international law. The Issuer's existence, powers, privileges, immunities, liabilities and operations are subject to and governed by the Articles of Agreement. The Issuer is not subject to regulation by any state. Accordingly, while the Issuer has established policies and procedures to govern its internal operations in accordance with international standards, the operations of the Issuer are not subject to external regulatory oversight unlike domestic financial institutions of its member states.

Although founded by the BRICS, the Issuer is a legal entity separate from both the governments of its member states and the agencies of such governments. The principal of any Notes issued under the Programme, and interest due or to become due in respect of such Notes, constitute obligations solely of the Issuer and do not constitute the obligation of, nor are they guaranteed or insured by any of its member states or sovereign entities or agencies thereof. Since the Issuer's obligations are not guaranteed or insured by any one sovereign or member state, the Issuer does not have one single lender of last recourse.

Credit risk

Credit risk is defined as risk of financial loss arising from the failure of the borrower or other obligor, to meet its contractual obligations to the Issuer. It can arise from both funded and non-funded transactions that are contingent in nature. As the Issuer provides financial support through loans, guarantees, equity investment and other financial activities, the inability or unwillingness of borrowers or obligors to meet their financial obligations towards the Issuer leads to credit risk. According to the nature of the Issuer's business, the principal sources of credit risks are:

- (a) credit risk in its sovereign operations;
- (b) credit risk in its non-sovereign operations; and
- (c) obligors credit risk in its treasury business.

The Issuer mainly relies on external credit ratings from major international rating agencies (e.g. Moody's Investors Service, Standard and Poor's Global Ratings and Fitch Ratings) to provide an initial assessment of the credit quality of borrowers and treasury counterparties. In cases where the loans are guaranteed by

the governments of the individual countries, the credit risk is assessed on the guarantor. For loans without a sovereign guarantee, in addition to external credit ratings, the Issuer uses an internal credit assessment taking into account specific project, sector, macro and country credit risks. The risk division monitors the overall credit risk profile of the Issuer on a periodic basis.

In addition, the majority of the Issuer's portfolio is located within jurisdictions and economic sectors for which adequate statistical and qualitative information is available. The Issuer also relies on external data providers to source this information as part of its regular credit risk management activities. Thus credit recommendations are made on information from the most reliable of these sources. With regard to specific projects, the Issuer conducts a due diligence process. However, the Issuer's relatively short track record, combined with the medium-and long-term nature of a large part of the credit portfolio, offers no assurance that these techniques will prove sufficient to mitigate credit risks inherent to such operations. Whilst nil was due from borrowers or was classified as a default as at 30 September 2021, the Issuer is in the process of building its loan portfolio. As such, the Issuer still considers credit risk to be a material risk to its business as it is not possible to eliminate entirely the possibility of adverse credit risk events. This in turn could have a material adverse effect on the Issuer's financial condition and results of operations.

Operational risk

Operational risk can be defined as being the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. It thus excludes strategic and reputation risks but includes legal and regulatory risks. The Issuer's operational risk management framework is built on three key principles:

- (a) business units are responsible for directly managing operational risks in their respective functional areas;
- (b) a dedicated central operational risk team coordinates the process and assists business units to anticipate, identify, mitigate, and control operational risk; and
- (c) oversight is provided by the Audit, Risk and Compliance Committee and independent control functions such as the Internal Audit division.

The Issuer has established a comprehensive operational risk management framework and control system. However, a framework or control system, no matter how well designed and operated, can only provide reasonable, not absolute, assurance that the objectives of the control system will be satisfied. Inherent limitations in any system of controls include the possibility that judgments in decision making could be faulty and that breakdowns could occur as a result of simple human error or mistake. The design of the Issuer's control system is based in part upon certain assumptions about the likelihood of future events. There can be no assurance that the Issuer will not suffer losses from any failure of these controls to detect or contain operational risk in the future. Consequently, the potential inadequacy of the Issuer's internal processes or systems may result in unauthorised transactions and errors not being detected, or the Issuer's insurance may not cover the Issuer's losses from such transactions or errors, which may have a material adverse effect on the Issuer's financial condition and/or results of operations.

Liquidity risk

The Issuer's liquidity risk arises largely in the following way:

- (a) insufficient liquidity to settle obligations or to meet cash flow needs, including, but not limited to, the inability to maintain normal lending operations and to support public or private projects in a timely manner; and
- (b) inability to liquidate an investment at a reasonable price within the required period of time.

The Issuer utilises a set of short-term, long-term and stressed metrics for identifying, monitoring and managing liquidity risk. The Issuer balances the placement and tenor of its liquid assets to optimise interest income and provide a source of liquidity for strategic and day-to-day cash needs, as well as meeting unanticipated funding requirements.

Despite having a conservative approach to liquidity risk, it does not mitigate entirely the possibility that liquidity shortages and severe market conditions may have an adverse impact on the Issuer's financial condition.

Market risk

Market risk is the risk that variations in market rates and values of the Issuer's assets, liabilities and off-balance sheet positions result in a loss to the Issuer. The Issuer's exposure to market risk is currently derived from interest rate risks, exchange rate risks and price risks that emanate from the Issuer's operations. The issuer has a conservative profile with limited appetite for market risk. The market risks are further described below:

(a) *Interest rate risk*

Interest rate risk is defined as the risk of adverse impact on the Issuer's financial position, including its income and economic value, due to interest rate movements. The Issuer's lending and investment activities expose the Issuer to interest rate risk, whilst changes in the macro-economic environment significantly impact the movement of interest rate curves in different currencies to which the Issuer is exposed. Movements in global interest rates are unpredictable.

(b) *Exchange rate risk*

The exchange rate risk the Issuer faces arises from the impact of exchange rate variations on net unhedged positions in non-USD currencies. Movements in currencies, in which the Issuer transacts, relative to its functional currency (USD), may affect the Issuer's results. In addition, the policies of the governments of the Issuer's member states can have a material impact on foreign currency exchange rates and such policies are subject to change. The Issuer is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position. The Issuer maintains a net exchange position limit to contain its exchange rate risk exposure and seeks to match the currency of its assets with the currency of the corresponding funding source. The Issuer uses currency derivative contracts to align the currency composition of its liabilities to its assets.

(c) *Price risk*

Price risk is primarily about the unfavourable changes of fund prices and the prices of other financial instruments that can cause financial losses. Quantitatively, the other price risk the Issuer faces is mainly the proportionate fluctuation in the Issuer's profits due to the price fluctuation of the financial instruments held by the issuer. The Issuer monitors its investment position on a regular basis.

Whilst the Issuer has low appetite for market risk and believes that it has implemented the appropriate policies, systems and processes to minimise these risks, investors should note that a worsening of current global financial market conditions could lead to decreases in investor and consumer confidence, market volatility, economic disruption and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of the Issuer irrespective of steps currently taken to adequately control these risks.

The economic conditions in the member states may still be adversely affected by the COVID-19 pandemic, and this may negatively impact the Issuer's business, financial condition and results of operations

The ongoing COVID-19 outbreak at the beginning of 2020 resulted in increased travel restrictions, extended quarantine or "lockdown" measures and closure of certain businesses and an initial decline in most major equity markets from February 2020. Despite this initial decline, such markets began to rise again from the end of March 2020 and were boosted further by the announcement in November 2020 of potential vaccines and subsequent rollout during 2021 of those vaccines.

As at the date of this Base Offering Memorandum, all of the Issuer's member states were in varying degrees of isolation in order to combat the spread of COVID-19 and all were rolling out vaccination programmes. All member states have recorded cases of COVID-19 and deaths associated with it, but numbers differ

considerably among countries. The COVID-19 pandemic is having a severe and negative economic impact globally, the further extent of which will depend primarily on the progress of vaccination rollout programmes, the continued efficacy of current vaccines and other preventive measures in place in each country.

The risks to recovery are reducing, but the possibility of another downturn cannot entirely be dismissed due to the uncertainty surrounding the evolution of the pandemic and delays in achieving broad vaccine distribution.

The Issuer has in place sensitivity tests and bank-wide macroeconomic stress testing to estimate impacts of the current COVID-19 pandemic crisis on the Issuer's exposures. However, the occurrence and future spread of the COVID-19 pandemic coupled with the potential of an outbreak of new variants or mutations of COVID-19 which may be resistant to current or future vaccines, as well as the response of the member states, is beyond the Issuer's control and the Issuer can provide no assurance as to the likelihood of any scenario arising or the economic impact of the COVID-19 pandemic in the member states or the resulting impact on the Issuer's business, financial condition or results of operations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes or when the Issuer is perceived by the market to have a redemption right available to it, 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, an investor 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.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The Notes may be issued at a substantial discount or premium to their principal amount. The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities, and this may also be the case for any Notes issued at a substantial discount or premium to their principal amount. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The terms of the Notes contain provisions which may permit their modification without the consent of all investors

The terms of the Notes contain provisions for calling meetings of Noteholders to consider and vote on matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders, including Noteholders who

did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority. As such, Noteholders should be aware that they may be bound by the actions of certain defined majorities of Noteholders even if they do not vote on, or vote against, a particular matter.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The terms of the Notes are based on English law in effect as at the date of this Base Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Offering Memorandum and any such change could materially adversely impact the value of any Notes affected by it.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Reliance on Euroclear and Clearstream, Luxembourg procedures

Notes issued under the Programme will be represented on issue by one or more Global Notes or Global Note Certificates that may be delivered to a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note or Global Note Certificate (as applicable), investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note or Global Note Certificate held through it. While the Notes are represented by a Global Note or Global Note Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes or Global Note Certificates (as applicable), the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note or Global Note Certificate 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 Global Note or Global Note Certificate (as applicable). In addition, a holders of beneficial interests in a Global Note will not have any recourse against the Issuer to the extent Euroclear and/or Clearstream, Luxembourg do not pass on any payments made to them by the Issuer.

Holders of beneficial interests in a Global Note or Global Note Certificate 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.

The Notes are unsecured and the terms and conditions permit the Issuer to create security over its assets

Pursuant to Condition 4 (*Status*), the Notes will be unsecured. If the Issuer defaults on the Notes, or in the event of a bankruptcy, liquidation or reorganisation, then, to the extent that the Issuer has granted security over its assets, the assets that secure those obligations will be used to satisfy the obligations thereunder before the Issuer could sell or otherwise dispose of those assets in order to make any payment on the Notes. As a result of the granting of such security, there may only be limited assets available to make payments on the Notes in such circumstances and as such, a Noteholder may not receive the full amount of its initial investment.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future

Interest rates and indices which are deemed to be "benchmarks" such as the euro interbank offered rate ("EURIBOR"), are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

The Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. The UK Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark in the UK. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based or non-UK-based (as applicable), to be subject to an equivalent regime or otherwise recognised or endorsed); and (ii) prevent certain uses by EU and UK (as applicable) supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based or non-UK based (as applicable), not deemed equivalent or recognised or endorsed).

The Benchmark Regulation and UK Benchmark Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmark Regulation and/or UK Benchmark Regulation (as applicable). Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuance or unavailability of quotes of certain benchmarks.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("€STR") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation and UK Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than it has done in the past and may have other consequences which cannot be predicted.

The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6(i) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark,

although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time. Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation and UK Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to the Sterling Overnight Index Average ("SONIA") and Secured Overnight Financing Rate ("SOFR") as reference rates for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Notes that reference a SONIA rate issued under this Programme. As SONIA is published and calculated by the Bank of England based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term) and the Bank of England started publishing the SONIA Compounded Index from 3 August 2020.

SOFR is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve notes on its publication page for SOFR that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. Because SOFR is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes. The Federal Reserve began to publish SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative SOFR rates going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. Also, since SOFR is a relatively new market index, Notes linked to SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SOFR may be lower than those of later-issued indexed debt securities as a result. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology will gain widespread market acceptance.

The Issuer may in the future also issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous SONIA-referenced or SOFR-referenced Notes issued under the Programme. The nascent development of Compounded Daily SONIA and Compounded Daily SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA-based and SOFR-based rates for such markets and market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or otherwise affect the market price of any SONIA-referenced or SOFR-referenced Notes issued under the Programme. Interest on Notes which reference

Compounded Daily SONIA and Compounded Daily SOFR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference a SONIA rate or SOFR rate to reliably estimate the amount of interest that will be payable on such Notes. Further, if the Notes become due and payable under Condition 11 (*Events of Default*), the Rate of Interest applicable to the Notes shall be determined on the date the Notes became due and payable and shall not be reset thereafter. In addition, the manner of adoption or application of SONIA reference rates and SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA and SOFR in other markets, such as the derivatives and loan markets.

Investors should carefully consider how any mismatch between the adoption of SONIA reference rates and SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing a SONIA rate or a SOFR rate. Investors should consider these matters when making their investment decision with respect to any such Notes.

Further, if SONIA or SOFR do not prove to be widely used in securities like the Notes, the trading prices of Notes linked to SONIA or SOFR may be lower than those of securities linked to reference rates that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk.

SONIA and SOFR differ from EURIBOR (and other frequently referenced term rates based on interbank lending) in a number of material respects and have a limited history

Alternative Reference Rates differ from EURIBOR (and other frequently referenced term rates based on interbank lending) in a number of material respects, including that SONIA and SOFR are backwards-looking, risk-free overnight rates, whereas EURIBOR and similar rates are expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. As such, investors should be aware that Alternative Reference Rates may behave materially differently as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to EURIBOR which is an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SONIA and SOFR began in April 2018 and they therefore have a limited history. The future performance of SONIA and SOFR may therefore be difficult to predict based on the limited historical performance. The level of SONIA and SOFR during the term of the Notes may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, the Interest Rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to EURIBOR-based Notes, if the Notes become due and payable as a result of an Event of Default under Condition 13 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

The relevant administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR

As noted above in "*Risk Factors - Risks related to Notes generally - The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes*", the Bank of England or The New York Federal Reserve (or a successor), as administrators of SONIA and SOFR respectively, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the relevant administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR

(in which case a fallback method of determining the interest rate on the Notes will apply). The relevant administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

In respect of any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The Pricing Supplement relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds or an amount equal to the proceeds from an offer of those Notes specifically for assets and projects that promote climate-friendly, environmental and other sustainable purposes ("**Eligible Assets**"). Prospective investors should have regard to the information in the relevant Pricing Supplement regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds or an amount equal to such proceeds for any Eligible Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Assets. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "sustainable" or to be given such other similar label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors by the Issuer, the Dealers or any other person that any projects or uses the subject of, or related to, any Eligible Assets will meet any or all investor expectations regarding such "green", "sustainable" or other similarly-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Offering Memorandum. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "sustainable" or other similarly-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to, any Eligible Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds or an amount equal to the proceeds of any Notes so specified for Eligible Assets in, or substantially in, the manner described in this Base Offering Memorandum and the relevant Pricing Supplement, there can be no assurance from the Issuer, the Dealers

or any other person that the relevant project(s) or use(s) the subject of, or related to, any Eligible Assets will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Assets. Nor can there be any assurance that such Eligible Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment, social or other "sustainable" projects) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds or an amount equal to such proceeds of any issue of Notes for any Eligible Assets as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors should carefully consider these matters when making their investment decision with respect to any such Notes.

Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that the market price of such Notes may be volatile and that payment of principal or interest may occur at a different time or in a different currency than expected.

Under the Articles of Agreement as in force from time to time, no tax of any kind shall be levied by a member state of the Issuer on any obligation or security issued by the Issuer

Under the Articles of Agreement, the Issuer is exempt from any obligation for the payment, withholding or collection of any tax by a member state. Accordingly, the interest due on the Notes will be paid to the Paying Agents without deduction in respect of any tax by a member state. If any taxation does apply to payments due on the Notes, notwithstanding the provisions of the Articles of Agreement, neither the Issuer nor the Paying Agents will make any additional payment in the event of any deduction or withholding being required in respect of such taxation and neither the Issuer nor the Paying Agents shall be liable to any holder of the Notes or to any other person for any commissions, costs, losses or expenses in relation to or resulting from such withholding or payment. Please see "*Taxation – Tax status of the Issuer*".

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

If an investor holds Notes which are not denominated in the investor's home currency, the investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the

imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

Notes may be denominated or payable in any Specified Currency designated by the Issuer at the time of issuance. For investors whose financial activities are denominated principally in a currency (the “**Investor’s Currency**”) other than the Specified Currency or where principal or interest on Notes is payable by reference to a Specified Currency index other than an index relating to the Investor’s Currency, an investment in the Notes entails significant risks that are not associated with a similar investment in a security denominated in that Investor’s Currency. Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the Specified Currency and the Investor’s Currency and the possibility of the imposition or modification of exchange controls by the country of the Specified Currency or the Investor’s Currency. Such risks generally depend on economic and political events over which the Issuer has no control. In recent years, rates of exchange have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are, however, not necessarily indicative of fluctuations that may occur in the future. Depreciation of the Specified Currency against the Investor’s Currency would result in a decrease in the Investor’s Currency equivalent yield on a Note denominated in that Specified Currency, in the Investor’s Currency equivalent value of the principal payable at maturity of such Note and generally in the Investor’s Currency equivalent market value of such Note. An appreciation of the Specified Currency against the Investor’s Currency would have the opposite effect. In addition, depending on the specific terms of a Note denominated in, or the payment of which is related to the value of, one or more foreign currencies, changes in exchange rates relating to any of the currencies involved may result in a decrease in such Note’s effective yield and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of a Note to the investor. Further information as to current and historical exchange rates between the U.S. dollar and the Specified Currency or, if the Issuer considers it appropriate, the Investor’s Currency and the Specified Currency may be contained in the applicable Pricing Supplement.

Governments have imposed from time to time, and may in the future impose or modify, exchange controls that could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal of, premium, if any, or interest on a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note may not be available when payments on such Note are due.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that, if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, investors regulated in the EU are prohibited under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of credit ratings issued by third country non-UK credit rating agencies, third country credit ratings are either (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, has not been withdrawn or suspended, and to (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Offering Memorandum.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Offering Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions.

Words and expressions defined in "Summary of Provisions relating to the Notes while in Global Form" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

Issuer:	New Development Bank
Legal Entity Identifier	254900VPI91W77OUM06
Description:	U.S.\$50,000,000,000 Euro Medium Term Note Programme
Arranger:	HSBC Bank plc
Dealers:	HSBC Bank plc

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Offering Memorandum.
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Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent - see "*Subscription and Sale*".

Fiscal Agent:	HSBC Bank plc
Registrar:	HSBC Bank plc
Programme Size:	Up to U.S.\$50,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the Programme Agreement.

Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates. The specific terms of each
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Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the pricing supplement (the "**Pricing Supplement**").

Currencies: Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Maturities: The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum 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.

Issue Price: Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of the Notes: The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). For further information, see "Form of the Notes".

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer 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.

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 (i) 2006 ISDA Definitions as supplemented, amended or updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc. or (ii) 2021 ISDA Definitions (as specified in the relevant Pricing Supplement), the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website (<http://www.isda.org>), the Issue Date of the first Tranche of the Notes of the relevant Series. ; or
- (b) on the basis of the reference rate set out in the applicable Pricing Supplement.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, 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.

Dual Currency Notes

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of any Dual Currency Notes will be made in such currencies and based upon such rates of exchange as specified in the applicable Pricing Supplement.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity or that such Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The Notes will only be redeemed at an amount other than 100 per cent. of their nominal amount in the case of certain Zero Coupon Notes.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution - see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Benchmark Discontinuation:

In the case of Floating Rate Notes, if the Issuer determines that a Benchmark Event has occurred, the Issuer may in consultation with an Independent Adviser, determine that: (i) the relevant benchmark or screen rate may be replaced by a Successor Rate; or (ii) if there is no Successor Rate but the Issuer determines there is an Alternative Rate, such Alternative Rate. An Adjustment Spread may also be applied to the Successor Rate or the Alternative Rate (as the case may be). This is further described in Condition 6(i).

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer 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 - see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Taxation:

Pursuant to its Articles of Agreement, payments of principal and interest may be made by the Issuer without withholding or other deduction for any withholding taxes imposed by a member of the Issuer. The Issuer will not pay additional amounts to holders of Notes in respect of any withholding tax.

Cross Acceleration:

The terms of the Notes will contain a cross acceleration provision as further described in Condition 11(c).

Status of the Notes:

The Notes constitute the direct, unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and

future unsecured obligations of the Issuer save for such obligations as may be preferred by provisions of law that are both mandatory and general application. The Notes are not obligations of any government.

Rating:

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement. A security 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.

S&P, Fitch, JCR and ACRA are not established in the European Union or registered under the CRA Regulation or UK CRA Regulation.

Listing:

Application has been made for the Notes to be admitted to listing on the Official List and to trading on the Main Market.

Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, Hong Kong, Japan, Singapore and Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (as set out in the applicable Pricing Supplement) – see "*Subscription and Sale*".

Use of Proceeds:

An amount equal to the net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer and/or will be used to finance sustainable development activities in the Issuer's member states.

Pending their use, an amount equal to the net proceeds from the sale of the Notes will be invested as part of the Issuer's liquid assets.

The Notes may be referred to as "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**" (as specified in the relevant Pricing Supplement). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note, references in the Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper. (See terms and conditions set out under "*Terms and Conditions of the Notes*" below).

In relation to any Tranche of Notes represented by one or more Global Note Certificates, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Note Certificate is for the time being registered in the Register and which is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Note Certificate (each an "**Accountholder**") must look solely to Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer, to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under such Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Note Certificate.

Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or Global Note Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note or Global Note Certificate became void, they had been the holders of Definitive Notes or Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Transfers of Interests in Global Notes and Global Note Certificates

Transfers of interests in Global Notes and Global Note Certificates within Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Registrar, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any of Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Note Certificate or for maintaining, supervising or reviewing any of the records of Euroclear and Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note Certificates among participants and account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Registrar, the Dealers or the Agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Note Certificate is lodged with Euroclear, Clearstream, Luxembourg or any relevant clearing system, Individual Note Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

Conditions applicable to Global Notes and Global Note Certificates

Each Global Note and Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, or a Global Note Certificate, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 8(d) (*Redemption at the option of Noteholders*) the bearer of a Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 8(b) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Note Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Note Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Note Certificate is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given

to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Electronic Consent and Written Resolution: While any Global Note or Global Note Certificate is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**") shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer and Fiscal Agent shall be entitled to rely on consent or instructions given in writing directly to the Issuer and Fiscal Agent by: (a) accountholders in the clearing system with entitlements to such Global Note or Global Note Certificate and/or; where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer and Fiscal Agent shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

FORM OF THE NOTES

Notes that are issued under the Programme shall either be in the form of Bearer Notes or Registered Notes, as set out in the Pricing Supplement for the relevant Tranche of Notes.

Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes will initially be in the form of either a temporary global note (a "**Temporary Global Note**") or, if so specified in the relevant Pricing Supplement, a permanent global note (a "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"). So long as the Bearer Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) as specified in the relevant Pricing Supplement.

Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Pricing Supplement will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream, Luxembourg S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Notes in definitive bearer form ("**Definitive Notes**"). The Temporary Global Notes may not be exchangeable for Definitive Notes in relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount. In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, the Permanent Global Note shall only be exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note.

If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, either have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons.

Each Tranche of Registered Notes will be represented by either individual note certificates ("**Individual Note Certificates**") or one or more global note certificates ("**Global Note Certificates**").

Each Note represented by a Global Note Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary.

Each Note represented by a Global Note Certificate will either be: (a) in the case of a Certificate which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of a Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, the Global Note Certificate shall only be exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate.

APPLICABLE PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be, unless otherwise agreed, substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

[MiFID II product governance / Professional investors and eligible counterparties only target market

– Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any *negative* target market]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and eligible counterparties only target market

– Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom (the "**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS

– The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")/MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[Singapore Securities and Futures Act Product Classification

– Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products "]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Pricing Supplement dated [•]

NEW DEVELOPMENT BANK

Legal Entity Identifier: 254900VPI91W770OUM06

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes] (the "Notes") under its Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Offering Memorandum dated 25 February 2022 [and the supplement[s] to it dated [date] [and [date]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Base Offering Memorandum [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Offering Memorandum, including the documents incorporated by reference. The Base Offering Memorandum is available for viewing at <https://www.ndb.int/investor-relations/>.

[Terms used herein shall be deemed to be defined as such for the purposes of the [2019 Conditions][2020 Conditions]/[•] (the "**Conditions**") incorporated by reference in the Base Offering Memorandum dated [25 February 2022]/[•]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [25 February 2022]/[•] [and the supplemental Base Offering Memorandum dated [date]] in order to obtain all the relevant information, save in respect of the Conditions which are set forth in the base prospectus dated [12 December 2019/22 December 2020]/[•] and are incorporated by reference in the Base Offering Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Offering Memorandum, including the documents incorporated by reference. The Base Offering Memorandum is available for viewing at <https://www.ndb.int/investor-relations/>.]

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). Each Dealer has agreed that it will not offer or, sell any Notes within the United States or its possessions or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 of Regulation S.

[In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.]

[Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

PART A – CONTRACTUAL TERMS

1. (i) Series Number: [•]
- (ii) Tranche Number: [•] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- (iii) Date on which the Notes will be consolidated and form a single series: The Notes will be consolidated and form a single Series with [•] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph

- [24] below, which is expected to occur on or about [•] [Not Applicable]
2. (i) Specified Currency or Currencies: [•]
- (ii) Specified Interest Payment Currency (if different from Specified Currency – Condition 1(g)): [•] (where this provision is applicable, include FX calculation methodology in an Annex to the Pricing Supplement).
- (iii) Specified Principal Payment Currency (if different from Specified Currency – Condition 1(g)): [•] (where this provision is applicable, include FX calculation methodology in an Annex to the Pricing Supplement).
- (iv) Alternative Currency (Condition 1(h)): [Applicable, provided that the Market Exchange Rate is the rate determined by [•] (the "Calculation Agent") as follows:
[•]/[•]]
- (Note that for the purposes of determining the Market Exchange Rate, the Calculation Agent cannot be HSBC Bank plc in its capacity as Fiscal Agent)
3. Aggregate Principal Amount:
- (i) Series: [•]
- (ii) Tranche: [•]
4. (i) Issue Price: [•] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
5. (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•]]
- (ii) Calculation Amount: [•]
6. [(i)] Issue Date: [•]
- [(ii)] Interest Commencement Date: [Specify/Issue Date/Not Applicable]
7. Maturity Date: [•] specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year
8. Interest Basis: [[•] per cent. Fixed Rate]
[EURIBOR / SONIA / SOFR +/- [•] per cent. Floating Rate]
[Zero Coupon]
[Other (specify)]
(further particulars specified below)

9. Redemption/Payment Basis: [Redemption at par]/[•] per Calculation Amount] / [•]
(specify features including, if relevant, Dual Currency)
10. Change of Interest or Redemption/ Payment Basis: [•] [Not Applicable]
11. Put/Call Options: [Investor Put]
[Issuer Call]
[Other (specify)]
[(further particulars specified below)]
[Not Applicable]
12. Status of the Notes: Senior
13. Method of distribution: [Syndicated/Non-syndicated]
14. Date of approval for issuance of Notes obtained: [•] [Not Applicable]
(N.B. Only relevant where authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year commencing on [•]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Fixed Coupon Amount for a short or long Interest Period ("**Broken Amount(s)**"):[[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]] [Not applicable]
- (v) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/365]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[30E/360 / Eurobond Basis]
[30E/360 (ISDA)]

- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/Other (*give details*)]
16. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (i) Specified Period(s): [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Additional Business Centre(s): [•] [Not Applicable]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent]): [[Name] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)]
- (vii) Screen Rate Determination: [Applicable – Term Rate/Applicable – Overnight Rate/Not Applicable]
- Reference Rate: [EURIBOR / SONIA / SOFR]
 - Index Determination: [Applicable/Not Applicable] (*complete for SOFR or SONIA Compounded Index only*)
 - SONIA Compounded Index: [Applicable/Not Applicable] (*complete for SONIA Compounded Index only*)
 - SOFR Compounded Index: [Applicable/Not Applicable] (*complete for SOFR Compounded Index only*)
 - Relevant Decimal Place: [•] (*complete for SOFR or SONIA Compounded Index only - unless otherwise specified in the Pricing Supplement, it will be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index*)
 - Relevant Number of Index Days: [•] (*complete for SOFR or SONIA Compounded Index only - unless otherwise specified in the Pricing Supplement, Relevant Number shall be, in the case of the SONIA Compounded Index, five and, in the case of the SOFR Compounded Index, two*)
 - Numerator: [•] (*complete for SOFR or SONIA Compounded Index only - unless otherwise specified in the Pricing Supplement, Numerator shall be, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360*)

- "p": [•] *(complete only for SOFR or SONIA where Compounded Index is not applicable)*
 - Interest Determination Date(s): [•]
 - Relevant Screen Page: [•]
 - Relevant Time: [•] *(complete only where "Term Rate" is applicable)*
 - Relevant Financial Centre: [•] *(complete only where "Term Rate" is applicable)*
- (viii) ISDA Determination: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions [2006 ISDA Definitions]/[2021 ISDA Definitions]
 - Floating Rate Option: [[•]/ CHF-SARON / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index]
 - Designated Maturity: [•]
 - Reset Date: [•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period]
 - Compounding [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
 - Compounding Method [Compounding with Lookback
Lookback: [•] Applicable Business Days]
[Compounding with Observation Period Shift
Observation Period Shift: [•] Observation Period Shift Business Days
Observation Period Shift Additional Business Days: [•] / [Not Applicable]]
[Compounding with Lockout
Lockout: [•] Lockout Period Business Days
Lockout Period Business Days: [•]/[Applicable Business Days]]
 - Averaging [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
 - [Averaging Method: [Averaging with Lookback
Lookback: [•] Applicable Business Days]
[Averaging with Observation Period Shift
Observation Period Shift: [•] Observation Period Shift Business days

	Observation Period Shift Additional Business Days: [•]/[Not Applicable]]
	[Averaging with Lockout
	Lockout: [•] Lockout Period Business Days
	Lockout Period Business Days: [•]/[Applicable Business Days]]
• Index Provisions:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
• Index Method:	Compounded Index Method with Observation Period Shift
	Observation Period Shift: [•] Observation Period Shift Business days
	Observation Period Shift Additional Business Days: [•] / [Not Applicable]
(ix) Margin(s):	[+/-][•] per cent. per annum
(x) Minimum Rate of Interest:	[•] per cent. per annum
(xi) Maximum Rate of Interest:	[•] per cent. per annum
(xii) Day Count Fraction:	[•]
(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
(xiv) Linear Interpolation:	[Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation / Not Applicable]
(xv) Reference Rate Replacement:	[Applicable/Not Applicable].
17. Zero Coupon Note Provisions:	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Accrual Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]
(iii) Day Count Fraction in relation to Early Redemption Amounts:	[Actual/Actual (ICMA)]
	[Actual/365]
	[Actual/365 (Fixed)]
	[Actual/360]
	[30/360]

[30E/360 / Eurobond Basis]

[30E/360 (ISDA)]

18. **Dual Currency Note Provisions** [Applicable/Not Applicable]

(i) Rate of Exchange/method of calculating Rate of Exchange: [•]

(ii) Party, if any, responsible for calculating the principal and/or interest due : [•]

(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]

(iv) Person at whose option Specified Currency(ies) is/are payable: [•]

(v) Day Count Fraction: [•]

PROVISIONS RELATING TO REDEMPTION

19. Call Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Optional Redemption Date(s): [•]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Calculation Amount

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [•] per Calculation Amount

(b) Maximum Redemption Amount: [•] per Calculation Amount

(iv) Notice period: [•]

20. Maturity Call: [Applicable/Not Applicable]

(i) Optional Redemption Date (Maturity Call) [•]

21. Put Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Optional Redemption Date(s): [•]

- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]
22. Final Redemption Amount: [•] per Calculation Amount
23. Early Redemption Amount:
Early Redemption Amount(s) per Calculation Amount payable on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): *[Not Applicable (if the Early Termination Amount are the principal amount of the Notes/or the Early Termination Amount if different from the principal amount of the Notes)]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: **Bearer Notes:**
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]
[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.]
[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
Registered Notes:
[Global Note Certificate exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Note Certificate]
[and]
[Global Note Certificate [(•) nominal amount]] registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]
25. New Global Note: [Yes/No/No, the Notes will be held under the NSS]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates]
27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

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.]

RESPONSIBILITY

New Development Bank accepts responsibility for the information contained in this Pricing Supplement.

SIGNED on behalf of **NEW DEVELOPMENT BANK**:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange with effect from [•]].

Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [Standard and Poor's Global Ratings/Fitch Ratings.] / [Not Applicable]

[Include a brief statement specifying whether the rating has been issued or endorsed by a credit rating agency established in (i) the UK and registered under the UK CRA Regulation and/or (ii) the EU and registered under the CRA Regulation]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)

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

[Save for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *Amend as appropriate if there are other interests*]

4. YIELD (Fixed Rate Notes only)

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

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

Details of historic [EURIBOR/SONIA/SOFR] rates can be obtained from [Reuters]/[•].

The Issuer does not intend to provide post-issuance information.

6. USE OF PROCEEDS

Use of proceeds: [As specified in "Use of Proceeds"/[Green Bonds, [•]/Social Bonds, [•]/Sustainability Bonds, [•]]/[•]

7. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) CFI: [[See/[], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
- (iv) FISN: [[See/[], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
- (If the CFI and/or FISN is not required, it/they should be specified to be "Not Applicable")*
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,[include this text for registered notes]] and does not necessarily mean that the Notes will be recognised 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 the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB

being satisfied that Eurosystem eligibility criteria have been met.]

8. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) Date of [Subscription] Agreement: [•]
- (iii) If syndicated names of Managers: [Not Applicable/give *names*]
- (iv) If non-syndicated name of Dealer: [*give name(s)*]
- (v) Stabilising Manager (if any): [Not Applicable/give *name*]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]]
(In the case of Bearer Notes) – [TEFRA C/TEFRA D/ TEFRA not applicable]
- (vi) Additional Selling Restrictions: [•] *(Consider if additional selling restrictions are required for a particular issuance of Notes)*
- (vii) Additional Risk Factors: [•] *(Consider if additional risk factors are required for a particular issuance of Notes)*

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" above.

1. INTRODUCTION

(a) Programme:

New Development Bank (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$50,000,000,000 in aggregate principal amount of notes (the "**Notes**").

(b) Pricing Supplement:

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a Pricing Supplement (the "**Pricing Supplement**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) Agency Agreement:

The Notes are the subject of an issue and paying agency agreement dated 25 February 2022 (as amended and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, HSBC Bank plc as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), HSBC Bank plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(d) Deed of Covenant:

The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Notes are constituted by a deed of covenant dated 25 February 2022 (as amended and/or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer.

(e) The Notes:

All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

(f) Summaries:

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at

the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

(g) **Specified Currency:**

The Specified Currency of any Note and, if different, any Specified Principal Payment Currency and/or Specified Interest Payment Currency, are as specified in the applicable Pricing Supplement. Subject to Condition 1(h) below, all payments of principal in respect of a Note shall be made in the Specified Currency or, if applicable, the Specified Principal Payment Currency, and all payments of interest in respect of a Note shall be made in the Specified Currency or, if applicable, the Specified Interest Payment Currency.

(h) **Unavailability of Specified Currency:**

If the principal of, premium (if any) or interest on, any Note is payable in a Specified Currency other than U.S. dollars and at the time any such payment is due such Specified Currency is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions in such country or within the international banking community, or if such Specified Currency is otherwise not expected to be available to the Issuer as a result of circumstances beyond the control of the Issuer, then the Issuer shall be entitled to satisfy its obligations to holders of Notes in respect of such payment by making such payments in U.S. dollars on the basis of the Market Exchange Rate specified in the applicable Pricing Supplement on the date of such payment or, if the Market Exchange Rate is not available on such date, as of the most recent practicable date. Any payment made by the Issuer under such circumstances in U.S. dollars where the required payment is in a Specified Currency other than U.S. dollars shall constitute valid payment and shall not constitute a default in respect of the Notes.

2. **INTERPRETATION**

(a) **Definitions:**

In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day

that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period

falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, the number of days in the Calculation 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:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30";

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation 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:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation 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:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention;
or

- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA" means the International Swaps and Derivatives Association, Inc. (or any successor);

"ISDA Benchmarks Supplement" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement)) published by the International Swaps and Derivatives Association, Inc;

"ISDA Definitions" means, in relation to any Series of Notes:

- (i) if "ISDA 2006 Definitions" are specified as being applicable in the relevant Pricing Supplement, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);
- (ii) if "ISDA 2021 Definitions" are specified as being applicable in the relevant Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);

"Issue Date" has the meaning given in the relevant Pricing Supplement;

"Margin" has the meaning given in the relevant Pricing Supplement;

"Market Exchange Rate" if applicable, has the meaning given in the relevant Pricing Supplement. For the avoidance of doubt, the Calculation Agent for determining the Market Exchange Rate will not be HSBC Bank plc;

"Maturity Date" has the meaning given in the relevant Pricing Supplement;

"Maximum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Minimum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Date (Call)" has the meaning given in the relevant Pricing Supplement;

"Optional Redemption Date (Maturity Call)" has the meaning given in the relevant Pricing Supplement;

"Optional Redemption Date (Put)" has the meaning given in the relevant Pricing Supplement;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that** in relation to euro, it means the principal financial centre of such Member State of the EU as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"Record Date" has the meaning given in Condition 10 (*Payments – Registered Notes*);

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"Reference Banks" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in consultation with the Issuer in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Pricing Supplement;

"Reference Rate" has the meaning given in the relevant Pricing Supplement;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but

excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders by the Issuer in accordance with Condition 17 (*Notices*);

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Interest Payment Currency**" if applicable, has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Specified Principal Payment Currency**" if applicable, has the meaning given in the relevant Pricing Supplement;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which the TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Union, as amended; and

"Zero Coupon Note" means a Note specified as such in the relevant Pricing Supplement.

(b) **Interpretation:**

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **FORM, DENOMINATION, TITLE AND TRANSFER**

(a) **Bearer Notes:**

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) **Title to Bearer Notes:**

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) **Registered Notes:**

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) **Title to Registered Notes:**

The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) **Ownership:**

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) **Transfers of Registered Notes:**

Subject to Condition 3(i) (*Closed periods*) and Condition 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) **Registration and delivery of Note Certificates:**

Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 3, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) **No charge:**

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, Registrar or (as the case may be) Transfer Agent may require in respect of) any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) **Closed periods:**

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) **Regulations concerning transfers and registration:**

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **STATUS**

The Notes constitute the direct and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future

unsecured obligations of the Issuer save for such obligations as may be preferred by provisions of law that are both of mandatory and general application.

THE NOTES ARE NOT OBLIGATIONS OF ANY GOVERNMENT.

5. FIXED RATE NOTE PROVISIONS

(a) Application:

This Condition 5 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest:

The Notes bear interest from and including the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments – Bearer Notes*) and Condition 10 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Fixed Coupon Amount:

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount or Broken Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount or Broken Amount in respect of the relevant Specified Denomination.

(d) Calculation of interest amount:

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6. FLOATING RATE NOTE PROVISIONS

(a) Application:

This Condition 6 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest:

The Notes bear interest from and including the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments – Bearer Notes*) and Condition 10 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Screen Rate Determination – Term Rate**

If Screen Rate Determination – Term Rate is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period. Where a different Margin or maximum Rate of Interest or minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or maximum Rate of Interest or minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or maximum or minimum Rate of Interest relating to that last preceding Interest Period.

(d) **Screen Rate Determination – Overnight Rate**

- (i) If (i) Screen Rate Determination – Overnight Rate is specified in the relevant Pricing Supplement, (ii) Index Determination is not applicable and (iii) the "Reference Rate" is specified as SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

As used herein:

"Compounded Daily SONIA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent or the Issuer on the Interest Determination Date in question, as follows, and the

resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

"**d**" means, for any Observation Period, the number of calendar days in such Observation Period;

"**d_o**" means, for any Observation Period, the number of London Banking Days in such Observation Period;

"**i**" means, for any Observation Period, a series of whole numbers from one to **d_o**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Observation Period to, and including, the last London Banking Day in such Observation Period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "**p**" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" means, for any London Banking Day "**i**" in the relevant Observation Period, the number of calendar days from, and including, such London Banking Day "**i**" up to, but excluding, the following London Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling "**p**" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "**p**" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means, for any Interest Period, five London Banking Days, unless otherwise agreed by the Calculation Agent, as specified in the relevant Pricing Supplement;

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIA_i**" means, in respect of any London Banking Day "**i**" falling in the relevant Observation Period, the SONIA Reference Rate.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA rate in respect of any London Banking Day. The SONIA rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA rate for the previous London Banking Day but without compounding.

If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA Reference Rate is not available or has not been published by the relevant authorised distributors, the Calculation Agent will determine such SONIA Reference Rate as being, subject to Condition 6(i):

- (i) (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (ii) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

In the event that the Rate of Interest cannot be determined in accordance with the foregoing paragraphs of this Condition 6(d)(i) by the Calculation Agent, the Rate of Interest shall be: (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11 (*Events of Default*), in respect of Notes to which this Condition 6(d)(i) applies, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date.

- (ii) If (i) Screen Rate Determination – Overnight Rate is specified in the relevant Pricing Supplement, (ii) Index Determination is not applicable and (iii) the "Reference Rate" is specified as SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded Daily SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days in the Observation Period will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded Daily SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 6(d)(iii) below will apply.

For these purposes:

"**Business Day**" means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s)

and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"**Compounded Daily SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"**d₀**" for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**SOFR_i**," for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR in respect of that day "i";

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1"); and

"**d**" is the number of calendar days in the relevant Observation Period.

"**Interest Period**" means each period from, and including, an Interest Payment Date (or, in the case of the first Interest Period, the Interest Commencement Date) to, but excluding, the next Interest Payment Date (or, in the case of the final Interest Period, the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, the relevant redemption date);

"**Interest Payment Determination Dates**" means the date falling "p" U.S. Government Securities Business Days before each Interest Payment Date where "p" has the value ascribed to it in the relevant Pricing Supplement;

"**Observation Period**" in respect of each Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or
- (ii) if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, or any successor source; and

"U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iii) If: (A) the Reference Rate Replacement is specified as being applicable in the relevant Pricing Supplement; and (B) if the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

"Benchmark" means, initially, Compounded Daily SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded Daily SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark; and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate; and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time; and (B) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of: (a) the date of the public statement or publication of information referenced therein; and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means: (i) if the Benchmark is Compounded Daily SOFR, the SOFR Determination Time; and (ii) if the Benchmark is not Compounded Daily SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (iv) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 6(d)(iii) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 17 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) Confirming: (x) that a Benchmark Transition Event has occurred; (y) the relevant Benchmark Replacement; and (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of Condition 6(d)(iii); and
- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

(v) **Screen Rate Determination – Index Determination**

If (i) Screen Rate Determination – Overnight Rate is specified in the relevant Pricing Supplement and (ii) Index Determination is specified as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\frac{(\text{Compounded Index End}}{\text{Compounded Index Start}} - 1) \times \frac{\text{Numerator}}{d}$$

to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Fiscal Agent or the Calculation Agent, as applicable, where:

"**Compounded Index**" shall mean either SONIA Compounded Index or SOFR Compounded Index, as specified in the Pricing Supplement;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"**Numerator**" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360, or as otherwise specified in the Pricing Supplement;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Pricing Supplement, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.0000005 being rounded upwards);

"**Relevant Number**" is as specified in the applicable Pricing Supplement, but, unless otherwise specified, in the case of the SONIA Compounded Index shall be five and in the case of the SOFR Compounded Index shall be five.

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

"**SOFR Compounded Index**" means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

"**Start**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Provided that a Benchmark Event has not occurred in respect of the relevant Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Pricing Supplement and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 6(d)(ii)) had been specified instead in the Pricing Supplement and where "p" for the purposes of that definition in Condition 6(d)(ii) shall be deemed to be the same as the Relevant Number specified in the Pricing Supplement.

(e) **ISDA Determination:**

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
- (iii) the relevant Reset Date unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions
- (iv) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Pricing Supplement and:
 - (1) Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement, such number of Applicable Business Days to be five unless otherwise agreed by the Calculation Agent;
 - (2) Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement, such number of Observation Period Shift Business Days to be five unless otherwise agreed by the Calculation Agent and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Pricing Supplement, such number of Observation Period Shift Additional Business Days to be five unless otherwise agreed by the Calculation Agent; or
 - (3) Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement, (a) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement, such number of Lockout Period Business Days to be five unless otherwise agreed by the Calculation Agent and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement, such number of Lockout Period Business Days to be five unless otherwise agreed by the Calculation Agent;
- (v) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Pricing Supplement and:
 - (1) Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) as specified in relevant Pricing Supplement, such number of Applicable Business Days to be five unless otherwise agreed by the Calculation Agent;
 - (2) Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement, such number of Observation Period Shift Business Days to be five unless otherwise agreed by the Calculation Agent and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Pricing Supplement, such number of Observation Period Shift Additional Business Days to be five unless otherwise agreed by the Calculation Agent; or

- (3) Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement, (a) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement, such number of Lockout Period Business Days to be five unless otherwise agreed by the Calculation Agent and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement, such number of Lockout Period Business Days to be five unless otherwise agreed by the Calculation Agent; and
- (vi) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift (as defined in the ISDA Definitions) shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement, such number of Observation Period Shift Business Days to be five unless otherwise agreed by the Calculation Agent and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement, such number of Observation Period Shift Additional Business Days to be five unless otherwise agreed by the Calculation Agent;

References in the ISDA definitions to:

- (A) "Confirmation" shall be references to the relevant Pricing Supplement;
- (B) "Calculation Period" shall be references to the relevant Interest Period;
- (C) "Termination Date" shall be references to the Maturity Date;
- (D) "Effective Date" shall be references to the Interest Commencement Date; and
- (E) "Administrator/Benchmark Event" in the 2021 ISDA Definitions shall be disappplied; and
- (vii) If the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication– Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate"

(f) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period **provided however that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means (a) in relation to Screen Rate Determination – Term Rate and Screen Rate Determination – Overnight Rate, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

(g) **Maximum or Minimum Rate of Interest:**

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(h) **Calculation of Interest Amount:**

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(i) **Benchmark Discontinuation:**

(i) *Benchmark Replacement (SOFR):*

This Condition 6(i) (*Benchmark Discontinuation*) shall not apply to Notes for which the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR", in respect of which the provisions of Condition 6(d)(ii) and benchmark discontinuation provisions of Condition 6(d)(iii) will apply.

(ii) *Benchmark Replacement (ARRC):*

(A) If Reference Rate Replacement is specified as being applicable in the relevant Pricing Supplement; and

(B) In the case of U.S. dollar-denominated floating rate Notes only (other than a Note for which the "Reference Rate" is specified in the relevant Pricing Supplement as being "SOFR" and in respect of which the provisions of Condition 6(d)(ii) and benchmark discontinuation provisions of Condition 6(d)(iii) will apply), the following provisions shall apply:

(1) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement (ARRC) will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement (ARRC), the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Noteholders.

(2) Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(i) will be conclusive and binding absent manifest error;

(ii) will be made in the sole discretion of the Issuer; and

- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

As used in this Condition 6(i)(ii) (*Benchmark Discontinuation - Benchmark Replacement (ARRC)*):

"Benchmark" means, initially, U.S. dollar LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to U.S. dollar LIBOR or the then-current Benchmark, then **"Benchmark"** shall mean the applicable Benchmark Replacement (ARRC);

"Benchmark Replacement (ARRC)" means the Interpolated Benchmark with respect to the then-current Benchmark; provided that if the Issuer cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then **"Benchmark Replacement (ARRC)"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (a) Term SOFR; and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) Compounded SOFR; and (b) the Benchmark Replacement Adjustment;
- (iii) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor; and (b) the Benchmark Replacement Adjustment;
- (iv) the sum of: (a) the ISDA Fallback Rate; and (b) the Benchmark Replacement Adjustment; and
- (v) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time; and (b) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of: (a) the date of the public statement or publication of information referenced therein; and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"Corresponding Tenor" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

"Interpolated Benchmark" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and (ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

"ISDA Fallback Adjustment" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means: (i) if the Benchmark is U.S. dollar LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination; and (ii) if the Benchmark is not U.S. dollar LIBOR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"Term SOFR" means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

(iii) *Benchmark Replacement (Independent Adviser):*

(A) If Reference Rate Replacement is specified as being applicable in the relevant Pricing Supplement; and

(B) Other than in the case of a U.S. dollar-denominated floating rate Note, if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, the following provisions shall apply:

(1) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**Interest Determination Cut-off Date**") for the purposes of determining the Rate of Interest applicable to the Notes for future Interest Periods (subject to the subsequent operation of this Condition 6(i)(iii) (Benchmark Replacement (Independent Adviser))).

(2) In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agents or the Noteholders for any determination made by it pursuant to this Condition 6(i)(iii) (Benchmark Replacement (Independent Adviser));

- (3) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (4) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period (as applicable), the relevant Margin relating to the Interest Period, in place of the margin relating to that last preceding Interest Period). For the avoidance of doubt, this paragraph shall apply to the next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6(i)(iii);
- (5) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6(i)(iii));
- (6) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) by reference to such Successor Rate or Alternative Benchmark Rate;
- (7) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the

Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6(i)(iii)); and

- (8) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Fiscal Agent and the Noteholders in accordance with Condition 17 (Notices).

As used in this Condition 6(i)(iii):

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

"Alternative Benchmark Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6(i)(iii)(B)(1) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"Benchmark Event" means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed

that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a future specified date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a future specified date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor: (i) such Reference Rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market; or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D) or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6(i)(iii)(B)(1).

(j) **Calculation of other amounts:**

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(k) **Publication:**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(l) **Notifications etc:**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7. **ZERO COUPON NOTE PROVISIONS**

(a) **Application:**

This Condition 7 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Late payment on Zero Coupon Notes:**

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7A. **DUAL CURRENCY NOTES**

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon, such rate or amount of interest to be determined by the entity named in the Pricing Supplement, which shall not (unless otherwise agreed with the Fiscal Agent) be the Fiscal Agent.

8. **REDEMPTION AND PURCHASE**

(a) **Scheduled redemption:**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments – Bearer Notes*) and Condition 10 (*Payments – Registered Notes*).

(b) **Redemption at the option of the Issuer:**

- (i) If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (ii) If the Maturity Call option is specified in the relevant Pricing Supplement as being applicable, the Issuer may, having given not less than 30 days' notice nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in the period from but excluding the date falling on the Optional

Redemption Date (Maturity Call), redeem all, but not some only, of the Notes then outstanding at the principal amount outstanding of the Notes, together with interest accrued to but excluding the date fixed for redemption.

(c) **Partial redemption:**

If the Notes are to be redeemed in part only on any date in accordance with Condition 8(b) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange, regulated market and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 8(b) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(d) **Redemption at the option of Noteholders:**

If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8(d), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(d), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(d), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(e) **Early redemption of Zero Coupon Notes:**

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 8(e) or, if none is so specified, a Day Count Fraction of 30E/360.

(f) **No other redemption:**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 8(a) (*Scheduled redemption*) to 8(e) (*Early redemption of Zero Coupon Notes*) above.

(g) **Purchase:**

The Issuer may at any time purchase Notes in the open market or otherwise at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation (**provided that**, if the Notes are to be cancelled, they are purchased together with all unmatured Coupons relating to them).

(h) **Cancellation:**

All Notes redeemed and any unmatured Coupons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 8(g) (*Purchase*) above (together with all unmatured Coupons cancelled with them) may not be reissued or resold.

9. **PAYMENTS – BEARER NOTES**

This Condition 9 is only applicable to Bearer Notes.

(a) **Principal:**

Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

(b) **Interest:**

Payments of interest shall, subject to Condition 9(f) (*Payments on business days*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 9(a) (*Principal*) above.

(c) **Payments subject to fiscal laws:**

All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) **Deductions for unmatured Coupons:**

If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and it is not a Dual Currency Note and a Bearer Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-Condition would otherwise

require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

- (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 9(a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(e) **Unmatured Coupons void:**

If the relevant Pricing Supplement specifies that this Condition 9 is applicable or that the Floating Rate Note Provisions are applicable or that it is a Dual Currency Note, on the due date for final redemption of any Bearer Note or early redemption in whole of such Note pursuant to Condition 8(d) (*Redemption and Purchase – Redemption at the option of Noteholders*), Condition 8(b) (*Redemption and Purchase – Redemption at the option of the Issuer*) or Condition 11 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(f) **Payments on business days:**

If the due date for payment of **any** amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(g) **Payments other than in respect of matured Coupons:**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States.

(h) **Partial payments:**

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(i) **Exchange of Talons:**

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

10. **PAYMENTS – REGISTERED NOTES**

This Condition 10 is only applicable to Registered Notes.

(a) **Principal:**

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) **Interest:**

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) **Payments subject to fiscal laws:**

All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) **Payments on business days:**

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10 arriving after the due date for payment or being lost in the mail.

(e) **Partial payments:**

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) **Record date:**

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

11. **EVENTS OF DEFAULT**

If any of the following events or circumstances occurs and continues in relation to the Notes (each an "Event of Default"):

(a) **Non-payment:**

The Issuer defaults in the payment in full of any principal or interest due on the Notes on the due date and such default continues for a period of 90 days.

(b) **Breach of other obligations:**

The Issuer fails to perform any of its other covenants under any of the Notes and such failure continues for the period of 90 days after written notice thereof shall have been given to the Issuer and the Fiscal Agent at the office of the Fiscal Agent by the holders of not less than 25% in principal amount of all the Notes at the time outstanding.

(c) **Cross-acceleration:**

The Issuer defaults, as defined in any instruments evidencing, securing or protecting any notes or bonds (other than the Notes) which shall have been issued, assumed or guaranteed by the Issuer, and maturing more than one year from the date of its issuance, with respect to more than 5 per cent. of the Issuer paid-in-capital, and the maturity of such instruments shall have been accelerated so that the same shall have become due and payable prior to the date on which the same would otherwise have become due and payable and such acceleration shall not have been rescinded or annulled.

If any Event of Default shall occur and continue in relation to the Notes, then the principal of the Notes then outstanding (if not already due) may be declared to be due and payable on the thirtieth day following written notice given to the Issuer and the Fiscal Agent at the office of the Fiscal Agent by the holders of not less than a majority in principal amount of the Notes at the time outstanding, unless all Events of Default in respect of the Notes have been cured prior to the expiration of such 30 days' period. If, at any time after the principal of the Notes shall have been so declared due and payable and before any judgment or decree for the payment of amounts due thereon shall have been entered, all arrears of interest upon the Notes and all other sums due in respect thereof, except any principal or interest payments which shall not have matured or come due by their terms, shall have been duly paid by the Issuer and all other Events of Default thereunder shall have been cured, the holders of not less than a majority in principal amount of the Notes then outstanding, by written notice given to the Issuer or the Fiscal Agent at the office of the Fiscal Agent, may rescind such declaration, but no such rescission shall impair any right consequent on any subsequent Event of Default.

12. **PRESCRIPTION**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

13. **REPLACEMENT OF NOTES AND COUPONS**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity

and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

14. AGENTS

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (i) the Issuer shall at all times maintain a Fiscal Agent and a Registrar; and
- (ii) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and
- (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

15. MEETINGS OF NOTEHOLDERS

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal 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 or the Coupons (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 or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being 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, and on all Couponholders.

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

In addition, the parties to the Agency Agreement may agree such modifications to the Agency Agreement and these Conditions as may be required in order to give effect to Condition 6(i) (*Benchmark Discontinuation*) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread, or related changes referred to in Condition 6(i) (*Benchmark Discontinuation*) without the requirement for the consent or sanction of the Noteholders or Couponholders.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 17 as soon as practicable thereafter.

16. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time, without the consent of the Noteholders or the Couponholders, to create and issue further notes ranking equally in all respects (or in all respects save for the date for and amount of the first payment of interest thereon) so that the same shall be consolidated and form a single series with the Notes.

17. **NOTICES**

(a) **Bearer Notes:**

Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

(b) **Registered Notes:**

Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Registered Notes are for the time being listed or by which they have been admitted to trading.

18. **ROUNDING**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

19. **GOVERNING LAW AND JURISDICTION**

(a) **Governing law**

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

(b) **Jurisdiction**

- (i) Subject to Condition 19(b)(vii), any dispute, controversy, difference or claim arising out of, relating to, or in connection with the Notes, including the existence, validity, interpretation, performance, breach or termination thereof or any non-contractual obligations arising out of, relating to, or in connection with the Notes or the consequence of their nullity, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted (the "**HKIAC Rules**").
- (ii) The seat of the arbitration shall be Hong Kong. Hong Kong law will be the procedural law of any arbitration hereunder.
- (iii) The arbitral tribunal shall consist of three arbitrators. The members of the arbitral tribunal shall be appointed in the manner set out in the HKIAC Rules. The appointing authority shall be HKIAC. The language of the arbitration shall be English.
- (iv) Unless otherwise expressly provided in the relevant Pricing Supplement, the arbitral tribunal will have no authority to award (i) punitive damages or (ii) damages for consequential or indirect losses.
- (v) The arbitral tribunal shall not be authorised to grant, and no holder of Notes shall seek from any judicial authority, any interim measures or pre-award or emergency relief against the Issuer, notwithstanding any provisions of the HKIAC Rules to the contrary.
- (vi) At the election of the Issuer, any further dispute, controversy or claim which arises out of these Notes shall be consolidated with any ongoing proceedings before the arbitral tribunal, but no other party shall be joined to, and no other disputes, controversies or claims shall be consolidated with, such on-going proceedings before the arbitral tribunal.
- (vii) Notwithstanding the provisions of this Condition 19(b), nothing contained herein or in the relevant Pricing Supplement shall operate or be regarded as a waiver, renunciation or other modification by the Issuer of any status, immunities, privileges or exemptions of the Issuer under its Articles of Agreement, all of its basic documents, any applicable law or international practice.

USE OF PROCEEDS

An amount equal to the net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer and/or will be used to finance sustainable development activities in the Issuer's member states.

The Issuer's mandate is to mobilise resources for infrastructure and sustainable development projects in its member states and other emerging economies and developing countries. This principle pervades the Issuer's policies and operations, gearing the Issuer's focus towards supporting its member states to achieve their development aspirations, especially those articulated in the United Nations' 2030 Agenda for Sustainable Development and the 2015 Paris Agreement on Climate Change. To fulfil its purpose, the Issuer supports public or private projects through loans, guarantees, equity participation and other financial instruments. It also cooperates with other international organisations and financial entities and provides technical assistance for projects supported by the Issuer.

Pending their use, an amount equal to the net proceeds from the sale of the Notes will be invested as part of the Issuer's liquid assets.

The Notes may also be referred to as "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**" (as specified in the relevant Pricing Supplement). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

1. BACKGROUND AND HISTORY

- 1.1 The Governments of the Federative Republic of Brazil ("**Brazil**"), the Russian Federation ("**Russia**"), the Republic of India ("**India**"), the People's Republic of China ("**China**") and the Republic of South Africa ("**South Africa**"), signed the Agreement on the New Development Bank and its annexed Articles of Agreement of the New Development Bank (the "**Articles of Agreement**") on 15 July 2014. The Articles of Agreement entered into force on 3 July 2015, formalising the establishment of the Issuer as a multilateral development bank. Whilst its headquarters are located in Shanghai, the Issuer is not subject to the laws nor is it registered under the laws, of any particular jurisdiction. However, as per Article 5(5) of Agreement between NDB and China entered into on 27 February 2016, the law applicable in China shall apply within the headquarters of NDB. Otherwise, the Issuer's existence, powers, privileges, immunities, liabilities and operations are solely subject to and governed by the Articles of Agreement.
- 1.2 The registered address and principal place of business of the Issuer is New Development Bank, 1600, Guozhan Road, Pudong Area, Shanghai – 200126, China and its business telephone number is +86 (0)21 80216131. The website of the Issuer is www.ndb.int. The information contained on the Issuer's website does not form part of this Base Offering Memorandum.
- 1.3 The purpose of the Issuer is to mobilise resources for infrastructure and sustainable development projects in the Federal Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa (the "**BRICS**" or "**BRICS Countries**") and other emerging economies and developing countries to complement the existing efforts of multilateral and regional financial institutions for global growth and development.
- 1.4 In addition to the founding members, membership is open to members of the United Nations at such times and in accordance with such terms and conditions as the Issuer shall determine by a special majority at a meeting of the Board of Governors.
- 1.5 At the second Annual Meeting of the Board of Governors of the New Development Bank, held on 1 April 2017, the Board of Governors approved the Terms, Conditions and Procedures for the Admission of New Members. As at the date of this Base Offering Memorandum, the process of expansion of membership is ongoing.
- 1.6 On 16 September 2021 and 4 October 2021, the People's Republic of Bangladesh ("**Bangladesh**") and the United Arab Emirates, respectively, became new members of the Issuer. The Oriental Republic of Uruguay ("**Uruguay**") and the Arab Republic of Egypt ("**Egypt**") are prospective members of the Issuer and have been admitted by the Board of Governors and will each become an official member of the Issuer once they deposit their respective instruments of accession.
- 1.7 The authorised capital of the Issuer is USD 100 billion and the initial subscribed capital of the Issuer is USD 50 billion. Each founding member initially subscribed for 100,000 shares, investing an aggregate of USD 10 billion; of which 20,000 shares correspond to paid-in capital and 80,000 shares correspond to callable capital.

Bangladesh joined the Issuer as a borrowing member and intends to subscribe 9,420 shares in a total amount of USD 942.0 million, of which USD 188.4 million are paid-in capital and USD 753.6 million are callable capital. The United Arab Emirates joined the Issuer as a non-borrowing member and intends to subscribe 5,560 shares in a total amount of USD 556.0 million, of which USD 111.2 million are paid-in shares and USD 444.8 million are callable shares.

The voting power of each member is equal to the number of its subscribed shares in the capital of the Issuer. Pursuant to the Articles of Agreement, the payment of paid-in capital by each founding member and each new member shall be paid in dollars, in 7 instalments. As at 30 September 2021, the paid-in capital received is USD 8.8 billion in total.

Country	Number of Shares	Share Holding*	Voting Rights*
	(% of Total)		
Brazil.....	100,000	19.63	19.63
Russia.....	100,000	19.63	19.63
India.....	100,000	19.63	19.63
China.....	100,000	19.63	19.63
South Africa.....	100,000	19.63	19.63
Bangladesh.....	9,420	1.85	1.85
Unallocated Shares.....	490,580	—	—
Total.....	1,000,000	100	100

Note:

* The total percent of subscribed capital may not be accurate to 100% due to rounding.

2. MANAGEMENT STRATEGY

2.1 The overarching goal of the NDB for the coming five years is to build on the progress achieved since the beginning of its operations in July 2015 and to firmly establish NDB as a trusted provider of development cooperation services and a financial intermediary aimed at safeguarding resources contributed by shareholders and investors.

2.2 All projects financed by NDB are coherent with NDB's core focus on infrastructure and sustainable development.

2.3 Non-performing Loans

The Issuer applies IFRS9 three-stage approach for provisioning and monitors financial assets for non-performance on an ongoing basis. The Issuer identifies financial assets as being credit-impaired (stage 3) when one or more events that could have a material detrimental impact on the estimated future cash flows of the financial asset have occurred. NDB has not identified exposure to non-performing loans or financial assets as at 30 September 2021.

2.4 NDB intends to focus its business in three broad areas: relationships, projects and instruments, and approaches:

2.4.1 **New Relationships.** A relationship of equality, mutual respect and trust between NDB and member states permeates all aspects of the Issuer's policies and operations. National sovereignty is paramount. NDB supports projects tailored to the needs of individual countries, respecting their development priorities and strategies. The Issuer follows, whenever possible, nationally-defined laws and procedures on project implementation without compromising quality. While NDB is open to advanced country members, the Issuer intends to remain governed by emerging markets and developing economies, and policies, project selection, and relationship with borrowers will reflect that. Most of NDB's decisions are taken on the basis of a simple majority, and no single member has veto power over any matter. These arrangements strengthen NDB by giving all members a stake in the success of the institution.

2.4.2 **New Projects and Instruments.** Sustainable infrastructure development is at the core of NDB's operational strategy. Physical infrastructure is a critical enabler of faster and inclusive economic growth, and sustainability criteria are essential to ensure this infrastructure safeguards the physical and social environment for current and future generations. NDB is helping to fill an important gap in the global development finance architecture, as financing for and technical expertise in sustainable infrastructure development is limited, despite growing demand. NDB retains the flexibility to provide funding to other areas, including traditional infrastructure and sustainable development projects in line with the borrowing country's overall development agenda. Local currency financing is a key component of NDB's value proposition, as it mitigates risks faced by borrowers and supports the deepening of capital markets of member states.

2.4.3 **New Approaches.** NDB aims to be fast, flexible and efficient by designing a more streamlined project review and implementation oversight without unnecessary bureaucracy. The Issuer is using a risk-based approach to project approval and oversight that mandates more intensive ex-ante

reviews for complex, risky projects, while low-risk projects go through a more streamlined procedure with ex-post checks. Staff performance indicators and incentives are designed to be oriented towards risk evaluation, disbursement and outcomes, rather than just approvals. A lean and flat organization structure, able to evolve as NDB grows, will result in lower administrative costs and more efficient decision-making. At the outset, NDB is operating with a non-resident Board of Directors, which also reduces administrative costs and focuses Board debates on high-level policy issues and particularly complex projects, rather than routine day-to-day operations.

2.5 Business operations and principal activities

- 2.5.1 The Issuer intends to make use of the financial model of other multilateral development banks, as financial institutions created by governments, to leverage capital for development purposes, to contribute to the investment needs of the founding members and other emerging markets and developing countries.
- 2.5.2 To fulfil its purpose, the Issuer supports infrastructure and sustainable development projects, in both the public or private sectors. Initially, this support is offered through loans. Subsequently, the Issuer proposes to use other instruments such as guarantees and equity participation, as well as other financial instruments.
- 2.5.3 The Issuer is helping to fill an important gap in the global development finance architecture, as financing for, and technical expertise in sustainable infrastructure development is limited, despite the growing demand in this area.
- 2.5.4 The Issuer retains the flexibility to provide funding in other areas, including traditional infrastructure and sustainable development projects in line with the borrowing country's overall development agenda and intends to utilise a full range of financing instruments, moving beyond long-term loans to include guarantees, syndicated loans with private investors, equity investments, project bonds and co-financing arrangements with national and multilateral development finance institutions.
- 2.5.5 As at 30 September 2021, the total outstanding balance of: (i) financial liabilities designated at fair value through profit or loss (consisting of RMB denominated bonds and USD, GBP and HKD denominated notes) was USD 10,127 million; and (ii) note payables (consisting of euro-commercial papers with a maturity of less than 1 year) was USD 3,591 million.

2.6 Funding

- 2.6.1 The Issuer's funding strategy aims to ensure that sufficient resources are available to meet the Issuer's liquidity needs. This is primarily driven by the Issuer's expanding loan portfolio as well as its operating and other expenses. Broadly, the Issuer's funding strategy focuses on the following main areas:
- diversification of funding portfolio in terms of currencies, tenors and types of interest rates;
 - access to the international capital markets;
 - domestic borrowing programmes in the Issuer's member states;
 - benchmark size transactions;
 - regular issuances; and
 - a focus on green and sustainability financing instruments.
- 2.6.2 The Issuer expects to utilise a diversified portfolio of funding instruments in hard currency, the local currencies of member states, as well as other currencies based on the parameters of its loan portfolio and demand from its borrowers. The Issuer aims to raise funds in global capital markets and the local capital markets of its members with due regard to appropriate hedging mechanisms within the Issuer's policy and risk management framework.

- 2.6.3 The Issuer intends to continue to actively explore opportunities of green financing instruments, including green bond issuances. Please see "*Environment and Social Framework*" below for further details.

2.7 Investments

The Issuer pursues a conservative investment policy wherein the cash proceeds are placed in highly rated and highly liquid financial instruments.

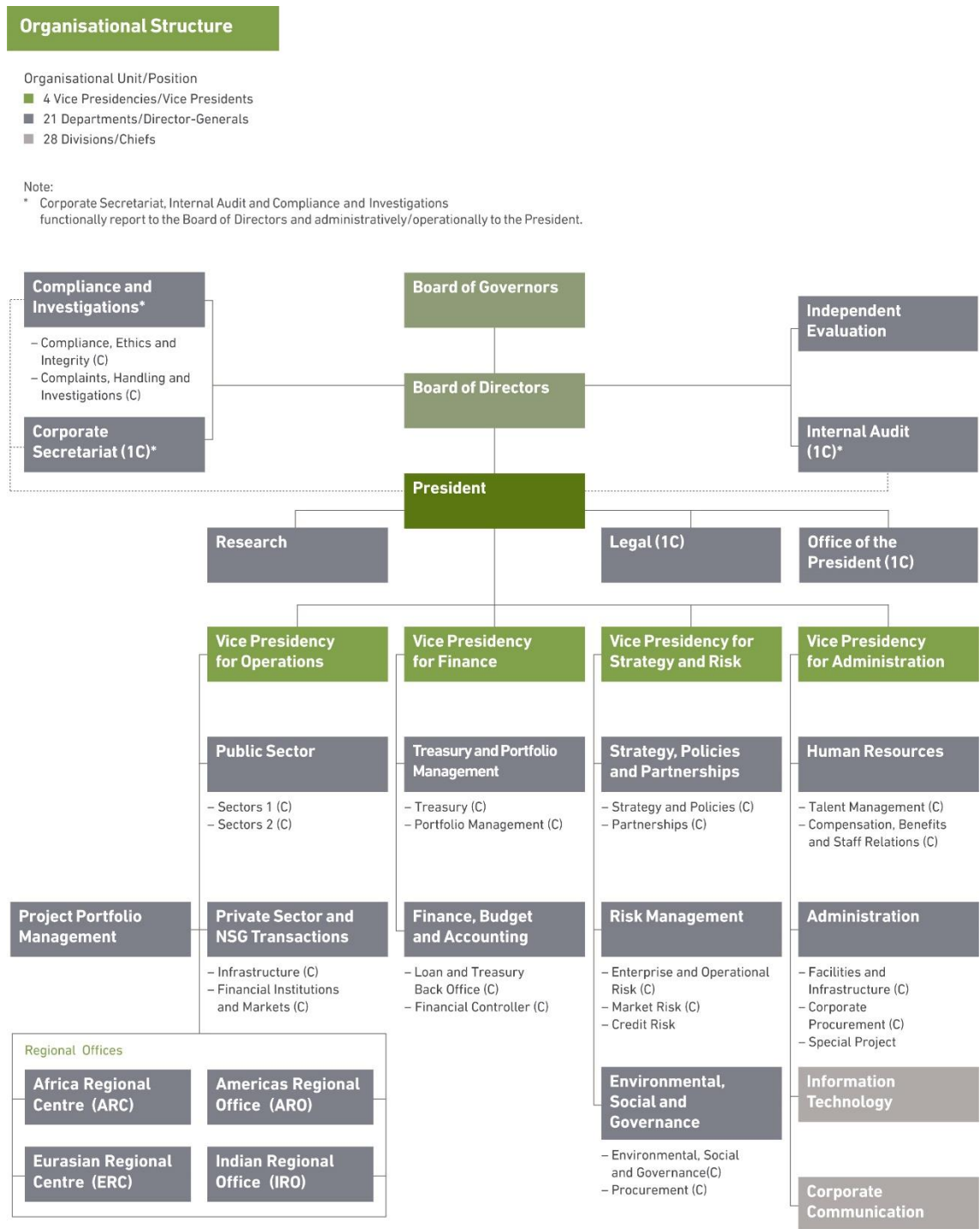
2.8 Capital Adequacy

Capital is important to NDB as it is a permanent source of funding for operations and growth and it provides a buffer to absorb losses. Capital not only reduces the risk of insolvency but enables NDB to continue conducting its business in times of stress and also reduces the effects of financial and economic downturn. Thus, NDB monitors the capital adequacy within a capital management framework and policies approved by the Board of Governors.

3. GOVERNANCE

- 3.1 The Issuer's governance structure supports its commitment to operate in a prudent manner and provides oversight, control and guidance.
- 3.2 As a multilateral development bank, the Issuer is committed to promoting the highest levels of transparency, responsible conduct, integrity and accountability. The Issuer's Articles of Agreement elaborate the key governance structures, clearly defining the respective roles of the Governors, Directors, President and Management. In order to assist the Board of Directors in discharging its oversight and decision making responsibilities, committees have been established to consider the audit, compliance, risk, budget, human resources, among other areas. Furthermore, the Board of Directors has adopted the Board of Directors Governance Structure, which elaborates the role of the Board committees.
- 3.3 The Issuer functions under the oversight of the Board of Governors and the Board of Directors. The senior management team comprises of the President and four Vice Presidents. The Board of Governors, Board of Directors and the senior management team have extensive experience in dealing with and managing multilateral development banks and are dedicated to building an organisation that holds itself to the highest standards of corporate governance and operational effectiveness.

3.4 As at the date of this Base Offering Memorandum, the organisational structure of the Issuer can be depicted as follows:



3.5 Board of Governors

3.5.1 The Board of Governors is the highest decision making authority of the Issuer. Each member country appoints one Governor at the ministerial level and one Alternate Governor. The appointment of each Governor and their corresponding length of term is dependent on respective member country criteria and procedures. Every year the Board of Governors elects one of the Governors to act as a chairperson. As at the date of this Base Offering Memorandum, the Chairperson of the Board of Governors is the Governor for India.

- 3.5.2 All the powers of the Issuer vest in the Board of Governors. The Board of Governors is responsible for the approval of the General Strategy, expansion of membership, increase and decrease the capital stock, authorising the conclusion of general agreements for cooperation with other international organizations, approving the annual accounts, among other areas.
- 3.5.3 The Board of Governors is required to hold an annual meeting and additional such other meetings as may be provided for by the Board or called by the Board of Directors.
- 3.5.4 The following is a list of the members of the Board of Governors as at the date of this Base Offering Memorandum:

<u>Name</u>	<u>Position</u>
Paulo Guedes	Minister of Economy of Brazil
Anton Siluanov	Minister of Finance of Russia
Nirmala Sitharaman.....	Chairman of the Board of Governors, Minister of Finance of India
Kun Liu	Minister of Finance of China
Enoch Godongwana	Minister of Finance of South Africa
A H Mustafa Kamal	Minister of Finance of Bangladesh
Mohamed Bin Hadi Al Hussaini	Minister of State for Financial Affairs of UAE

- 3.5.5 Governors shall be at ministerial level, and may be replaced from time to time by the relevant member pursuant to Article 11 (Board of Governors: composition and powers) of the Articles of Agreement.
- 3.5.6 There are no potential conflicts of interest, nor are there any interests that would be material to any issue of Notes under the Programme, existing between any duties owed to the Issuer by the Board of Governors listed above and their private interests and/or duties.

3.6 Board of Directors

- 3.6.1 The Issuer has a non-resident Board of Directors (the "**Board**"). Each of the founding members appoints one Director and one Alternate Director to the Board for a term of two years. The Directors may be re-elected. The Board of Governors shall establish by special majority the methodology by which additional Directors and alternates shall be elected, so that the total number of Directors shall be no more than 10. The President is also a member of the Board, but shall have no vote except a deciding vote in case of an equal division.
- 3.6.2 The Board is responsible for the conduct of the general operations of the Issuer, including decisions on business strategies and country strategies, loans, guarantees, equity investments, borrowing by the Issuer, setting basic operational procedures and charges, furnishing of technical assistance and other operations of the Issuer. The Board also approves the budget of the Issuer. The Board is required to meet at least quarterly.
- 3.6.3 The following is a list of the members of the Board as at the date of this Base Offering Memorandum:

<u>Name</u>	<u>Member Country Represented</u>	<u>Position</u>	<u>Business Address</u>
Marcos Troyjo	Brazil	President of New Development Bank	New Development Bank, 29 Floor, NDB Headquarters, 1600 Guozhan Road, Pudong New Area, Shanghai, 200126, China
Roberto Fendt Junior.....	Brazil	Director of NDB, Assistant Deputy Minister for Foreign Trade and International	Esplanada dos Ministérios, Bloco J, 8º andar, 70053-900, Brasília-DF, Brazil

Name	Member Country Represented	Position	Business Address
Timur Maksimov	Russia	Affairs, Ministry of Economy, Brazil Chairperson of the Board of Directors, Director of NDB, Deputy Minister of Finance of Russia	9 Ilinka Street, 109097, Moscow, Russian Federation
Rajat Kumar Mishra	India	Director of NDB, Additional Secretary, Department of Economic Affairs, Ministry of Finance of India	Room No. 141, North Block, New Delhi, 110001, India
Zhijun Cheng	China	Director of NDB, Acting Director General, Department of International and Economic Financial Cooperation, Ministry of Finance of China	3 Nansanxiang, Sanlihe, Xicheng District, Beijing, 100820, China
Vuyelwa Vumendlini	South Africa	Alternate Director of NDB, Deputy Director-General for International and Regional Economic Policy, National Treasury of South Africa	240 Madiba Street, Pretoria, South Africa
Md. Shahriar Kader Siddiky	Bangladesh and United Arab Emirate	Director of NDB, Additional Secretary and Wing Chief, Asia, JEC and F&F Wing, Economic Relations, Ministry of Finance, Bangladesh	Shere Bangla Nagar (Planning Commission Campus), Dhaka-1207, Bangladesh

3.6.4 On 27 May 2020, the Board of Governors elected Mr. Marcos Prado Troyjo as the President of the Issuer and appointed Mr. Anil Kishora as Vice President of the Issuer as of 7 July 2020; on 6 July 2021, the Board of Governors appointed Mr. Qiangwu Zhou, Mr. Vladimir Kazbekov and Mr. Leslie Maasdorp as Vice Presidents of the Issuer as of 7 July 2021, in accordance with the Issuer's Articles of Agreement and its procedures.

3.6.5 There are no potential conflicts of interest, nor are there any interests that would be material to any issue of Notes under the Programme, existing between any duties owed to the Issuer by the Board listed above and their private interests and/or duties.

3.7 Senior Management

3.7.1 The Board of Governors elected Mr. Marcos Troyjo from Brazil as the second President of the Issuer. The President is the chief of the operating staff of the Issuer and conducts the ordinary business of the Issuer under the direction of the Directors.

3.7.2 The Senior Management team is composed of the President and four Vice Presidents. The Vice Presidents are appointed from each founding member country other than the country of the President.

3.7.3 The four Vice Presidents were appointed by the Board of Governors on the recommendation of the President.

3.7.4 The management team is highly experienced in areas such as multilateral banking, commercial banking, corporate finance and public policy.

3.7.5 As at the date of this Base Offering Memorandum, the following is a list and profile of the Senior Management team members:

Name	Profile
<p>Marcos Troyjo (<i>President</i>)</p>	<p>Mr. Marcos Troyjo has recently served as Brazil's Deputy Economy Minister and Special Secretary for Foreign Trade and International Affairs and represented the Brazilian Government on the boards of multilateral development institutions.</p> <p>Mr. Troyjo was also Chairman of Brazil's Commission on External Financing and its National Investment Committee. He co-founded and served as Director of the BRICLab at Columbia University, where he taught international and public affairs. Mr. Troyjo is a member of the World Economic Forum (WEF) Global Future Council on International Trade and Investment. He was Director of the Intelligent Tech & Trade Initiative (ITTI).</p> <p>Mr. Marcos Troyjo holds a Master's degree and a PhD in sociology of international relations from the University of São Paulo and pursued postdoctoral studies at Columbia University. He is an alumnus of the Rio Branco Institute, the diplomatic academy of Brazil's Ministry of Foreign Affairs.</p>
<p>Anil Kishora (<i>Vice President, Chief Risk Officer</i>)</p>	<p>Mr. Anil Kishora is Vice President and Chief Risk Officer of NDB. Prior to this appointment, Mr. Anil Kishora had worked in India's largest bank, the State Bank of India ("SBI") for 38 years. Before joining the Issuer, Mr. Kishora worked as Deputy Managing Director & Chief Risk Officer of SBI. Prior to that, Mr. Anil Kishora served as Deputy Managing Director/Chief General Manager, SBI Local Head Office, Chandigarh, India and CEO of SBI in Singapore. He has also been a Council Member of the Association of Banks in Singapore, a board member of IACPM, New York, and a director on the boards of Macquarie SBI Infrastructure Management Pte. Ltd. and Macquarie SBI Infrastructure Trustee Ltd.</p>
<p>Vladimir Kazbekov (<i>Vice President, Chief Operating Officer</i>)</p>	<p>Mr. Kazbekov started his career in the Russian Ministry of Foreign Affairs, predominantly in Asian countries, where he served for nearly 20 years before being appointed as the Deputy Director of the Foreign Policy Department of the Presidential Executive Office of the Russian Federation. Mr. Kazbekov gained more than 15 years of experience in development banking at the Russian National Development Bank, Vnesheconombank, where he was appointed as an executive and contributed extensively to the development of the BRICS interbank cooperation mechanism.</p>
<p>Qiangwu Zhou (<i>Vice President, Chief Administrative Officer</i>)</p>	<p>Over the past 25 years, Mr. Zhou has served in various senior positions in the public sector. Most recently, he served as Director General level official in the Department of International Economic and Financial Cooperation, the Ministry of Finance ("MOF") of China, while holding the positions of International Development Association Deputy, and Global Environment Facility Council member for China. Prior to that, Mr. Zhou was Director General of the International Economic and Financial Institute, MOF's leading think tank on international economics and</p>

Name	Profile
Leslie Maasdorp (<i>Vice President, Chief Financial Officer</i>)	<p>development for eight years. He was also assigned to work in the United Nation's Administrative and Budgetary Committee, representing the Government of China during 1999-2002, and served as Advisor and then Senior Advisor to the Executive Director for China in the World Bank Group during 2008-2011. Mr. Zhou has published several pieces on international economics and holds a masters degree from Peking University, China.</p> <p>Over the past 26 years Mr. Leslie Maasdorp has occupied senior leadership roles in both private and public sectors. Most recently he served as a Managing Director and President of Bank of America Merrill Lynch for Southern Africa for a period of four years. Prior to that he served in a dual role as Vice Chairman of Barclays Capital and Absa Capital. In 2002 he was the first African to be appointed as International Advisor to Goldman Sachs International.</p> <p>Before his 13 years as a global investment banker, he served in several senior leadership roles in the Government of South Africa. In 1994 after the transition to democracy, he was appointed as Special Advisor to the Minister of Labour and in 1999, in his role as Deputy Director General of the Department of Public Enterprises, he led the restructuring and privatization of state owned enterprises for the South African Government.</p> <p>He is a former Chairman and CEO of Advtech, a leading provider of private education in South Africa. Leslie is a young global leader of the World Economic Forum. He holds a BA degree in Economics and Psychology from the University of the Western Cape and a Master of Science degree in Economics from the School of Oriental and African Studies, at the University of London.</p>
3.7.6	The business address of each member of the Senior Management team is at New Development Bank, 1600, Guozhan Road, Pudong New Area, Shanghai – 200126, China.
3.7.7	There are no potential conflicts of interest, nor are there any interests that would be material to any issue of Notes under the Programme, existing between any duties owed to the Issuer by the Senior Management team listed above and their private interests and/or duties.
3.8	The Issuer's approach to good corporate governance
3.8.1	All activities of the Issuer are governed by Board-approved policies and the Code of Business Conduct and Ethics. Board-approved policies outline internal self-assessment mechanisms to ensure compliance to internal policies and processes. These mechanisms are aimed at managing risk, promoting transparency, and upholding responsible conduct and integrity. Accountability is also ascertained during internal audit and independent evaluation. The Issuer has also adopted Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy.
3.8.2	The Issuer is committed in promoting the highest levels of accountability, responsible conduct, integrity and transparency, and the Board monitors the Issuer's application of its internal governance standards and governance policies.
(a)	Accountability
	Board-approved policies outline internal self-assessment mechanisms to ensure compliance to internal policies and processes. These mechanisms are aimed at managing

risk, promoting transparency, and upholding responsible conduct and integrity. Policy compliance is continually monitored throughout the organisation and policies are regularly reviewed and updated as necessary. Accountability is also ascertained during internal audit and independent evaluation.

(b) **Upholding responsible conduct and integrity**

The Issuer and its employees recognise that trust in a financial institution is based on responsible conduct and commitment to integrity in all its dealings. All activities of the Issuer are governed through a Board-approved Code of Business Conduct and Ethics that emphasizes the principles of transparency, accountability and integrity. The Issuer has further adopted anti-corruption and anti-money laundering principles to underscore its commitment to the global fight against corruption, money laundering and terrorism financing. Whistleblowing procedures are established and continuously reviewed to ensure that the Issuer is updated about alleged misconduct and instances of corruption and money laundering, if any, in the course of deploying its funds to projects or for corporate procurement purposes.

(c) **Transparency**

The Issuer is guided by an underlying presumption that information concerning its activities will be made available in a timely manner to the public in the absence of an appropriate reason for confidentiality, in accordance with the Issuer's Board-approved Information Disclosure Policy. Transparency will strengthen the credibility of and the confidence in the institution and will allow the scrutiny of stakeholders and the public in general, which will help the Issuer to review and improve its procedures. Public information includes the following broad categories: Governance Information, Operational Information, Financial Information, Policies and Strategies of the Issuer.

3.8.3 The Issuer has established a number of appropriately constituted committees to support the appropriate application of governance practices and principles. The committees are described in more detail below.

3.9 **Committees**

3.9.1 The Articles of Agreement of the Issuer stipulate that the Board, in exercising its functions, shall appoint a Credit and Investment Committee or any such other committees as it deems advisable for carrying out the general operations of the Issuer. Consequently the Board has approved the constitution of several committees to assist it in discharging its oversight and decision making responsibilities.

3.9.2 The committees that comprise of Board members are the Audit, Risk and Compliance Committee and the Budget, Human Resources and Compensation Committee. The committees comprised of management are the Credit and Investment Committee, the Finance Committee, the Operations Sub-Committee and the Treasury Sub-Committee.

(a) **Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee of the Issuer is comprised of all of the Board members and is responsible for assisting the Board with regard to fulfilling its corporate governance oversight responsibilities for the audit, risk and compliance of the Issuer.

The purpose of the Audit, Risk and Compliance Committee is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to:

- (i) the integrity of the Issuer's financial statements;
- (ii) review and monitoring of the Issuer's independent registered auditors and their qualifications and independence;
- (iii) the performance of the internal audit function and independent registered auditors;

- (iv) the deployment of policies and assessing adequacy of outcomes;
- (v) compliance with legal and other requirements with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting;
- (vi) identification, evaluation and mitigation of credit, market and operational risks of the Issuer; and
- (vii) overall responsibility for monitoring and approving the risk management framework and associated practices of the Issuer; and
- (viii) reviewing and approving risk disclosures statements in public documents or disclosures.

The primary role of the Audit, Risk and Compliance Committee is to oversee the financial reporting and disclosure process, the compliance with the Issuer's Code of Business Conduct and Ethics, qualification and independence of the External and Internal Audit team, adequacy and reliability of the internal control systems, especially those relating to the reporting of the Issuer's financial statements, as well as effective implementation of the risk framework.

The Chairperson of the Audit, Risk and Compliance Committee is appointed through a consultative process of the Board facilitated by the Chairperson of the Board and shall not be the Chairperson of the Board. In the event that the Chairperson is not present at the meeting, the Audit, Risk and Compliance Committee shall elect an acting Chairperson. The Corporate Secretary acts as the secretary to the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee meets quarterly or as needed.

(b) **Budget, Human Resources and Compensation Committee**

The purpose of the Budget, Human Resources and Compensation Committee is to oversee the budget, human resources and compensation related activities of the Issuer and undertake the functions provided for under the Code of Conduct for Board Officials.

To fulfil this obligation, the Budget, Human Resources and Compensation Committee relies on the Issuer's Management for the preparation and execution of budgets in accordance with organisational objectives; for preparation of and revisions to the human resources policies as well as associated policies related to compensation and benefits.

The Budget, Human Resources and Compensation Committee comprises of all members of the Board. The Chairperson of the Budget, Human Resources and Compensation Committee is appointed through a consultative process facilitated by the Chairperson of the Board. The Chairperson of the Budget, Human Resources and Compensation Committee shall not be the Chairperson of the Board or the Chairperson of any other Committee. The Corporate Secretary acts as the secretary to the Committee.

The Budget, Human Resources and Compensation Committee meets quarterly or as needed.

(c) **Credit and Investment Committee**

The purpose of the Credit and Investment Committee is to assist the Board with regard to fulfilling its responsibilities for the credit activities of the Issuer.

The Credit and Investment Committee is expected to satisfy itself that the Issuer's credit activities are adequate and effective. In this regard, the specific responsibility that the Credit and Investment Committee will carry out on behalf of the Board is responsible for decisions on loans, guarantees, equity investments and technical assistance of no more than a limit amount to be established by the Board in due course.

The Credit and Investment Committee comprises of the President and four Vice-Presidents of the Issuer. The Chairperson of the Credit and Investment Committee is the President of the Issuer. In the absence of the President, the Vice-Presidents may elect amongst themselves one of the Vice-Presidents to chair the meeting. The Corporate Secretary acts as the secretary to the Credit and Investment Committee.

The Credit and Investment Committee meets monthly or as needed.

(d) **Finance Committee**

The Finance Committee has oversight responsibility on financial matters of the Issuer relating to credit/operations, treasury and risks associated thereto. In this regard, the specific responsibilities relating to oversight of and recommendations to the Board is on the areas of financial policies and guidelines, financial operations including loan loss provisioning, asset and liability management and financial risk management.

The Finance Committee comprises of the President and four Vice-Presidents. The Finance Committee is chaired by the President. In the absence of the President, the Vice-Presidents may elect amongst themselves one of the Vice-Presidents to chair the meeting. If a member of the Finance Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The Corporate Secretary acts as the Secretary to the Finance Committee.

The Finance Committee meets monthly or as needed.

(e) **Operations Sub-Committee**

The Operations Sub-Committee is expected to satisfy itself that the Issuer's credit management activities are adequate and effective. In this regard, the specific responsibilities that the Operations Sub-Committee is to monitor credit specific financial policies, credit risk management and review of loan loss provisioning.

The Operations Sub-Committee comprises of two groups of members. Group A comprises of the four Vice-Presidents and Group B comprises of six Directors General from Treasury, Risk, Operations, Compliance, Finance and the General Counsel. The Operations Sub-Committee is co-chaired by the Vice-Presidents. If a member of the Operations Sub-Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The designated person from the Risk department shall act as the Secretary to the Operations Sub-Committee.

The Operations Sub-Committee meets quarterly.

(f) **Treasury Sub-Committee**

The Treasury Sub-Committee is expected to satisfy itself that NDB's treasury activities are adequate and effective. In this regard, the specific responsibilities that the Treasury Sub-Committee carries out on are develop and monitor the treasury business strategy, treasury risk management including limit monitoring, liquidity, monitor Treasury specific policies and asset liability management.

The Treasury Sub-Committee comprises of two groups of members. Group A comprises of the four Vice-Presidents and Group B comprises of six Directors General from Treasury, Risk, Operations, Compliance and the General Counsel. The Treasury Sub-Committee is co-chaired by the Vice-Presidents. If a member of the Treasury Sub-Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The designated person from the Finance, Budget and Accounting department shall act as the Secretary to the Treasury Sub-Committee.

The Treasury Sub-Committee meets quarterly or as needed.

4. **RISK MANAGEMENT**

4.1 Risk management is a transparent and centralised function that is independent of business operations. Together with enhancing risk awareness and promoting a strong institutional risk prevention and awareness culture across the Issuer, standards and controls have been developed in a proactive manner to ensure that risks are effectively managed. The Issuer has a robust risk management framework, and its governance structure provides for independent and regular reporting of risk issues to the Audit, Risk and Compliance Committee of the Board that include the Issuer's performance across key risk indicators. The risk management framework is continually monitored and strengthened, commensurate with the development of the Issuer. The primary responsibility for risk management at an operational level rests with the management. Management and various committees are tasked with integrating the management of risk into the day-to-day activities of the Issuer, by monitoring related risk parameters and tolerance through policies and procedures under the strategy approved by the Board.

4.2 Please see Note 5 (*Financial Risk Management*) of the 2020 Financial Statements for further details.

5. **ENVIRONMENT AND SOCIAL FRAMEWORK**

5.1 Sustainability is at the core of NDB's business. As per Article 2 of the Articles of Agreement, "The purpose of the Issuer shall be to mobilize resources for infrastructure and sustainable development projects in the Federal Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa (BRICS) and other emerging market economies and developing countries...". Accordingly, promotion of infrastructure and sustainable development projects is a key focus area for the Issuer.

5.2 The Issuer's Environment and Social Framework (the "**Framework**") sets out NDB's core principles which govern the operations of NDB on environment and social management. It includes two parts: (i) Part 1 which provides an overarching policy for addressing environment and social management in operations; and (ii) Part 2 Environmental and Social Standards which set forth the key mandatory requirements with respect to Environment, Involuntary Resettlement, and Indigenous Peoples.

5.3 The aim of the Framework is to, amongst other things: (i) manage environmental and social risks and impacts in projects; (ii) manage the operational and reputational risks of NDB and its stakeholders; (iii) factor-in mainstream environmental and social considerations into the Issuer's general decision-making processes; and (iv) encourage good environmental and social practices in its operations.

5.4 The core principles of the Framework are outlined as follows:

- (a) ***Inclusive and sustainable development:*** A principle focus area of NDB is to ensure inclusive sharing of development benefits and opportunities including among the traditionally deprived sections such as the poor, disadvantaged, women, children and minorities. The process of inclusion entails both access to and delivery of services. NDB recognizes the importance of maintaining policy and operating standards which (i) promote sustainable development; (ii) are aligned with international good practices; and (iii) effectively respond to environmental and social risks;
- (b) ***Country systems:*** NDB promotes the use of strong country and corporate systems in the management of environment and social risks and impacts. NDB also assists in further strengthening the country systems through a variety of mechanisms in both the public and private sector, including by (i) favouring use of country systems, with adequate support, at the operational level as it also fosters greater accountability and ownership; (ii) coordinating closely with other multilateral development banks, international financial institutions and relevant centres of expertise; and (iii) maintaining a risk based and outcome focused approach through measures aligned with the core principles;
- (c) ***Environment and social interests:*** NDB integrates the principles of environment and social sustainability into its policies and operations, as an integral part of its decision

making process, to ensure its financing and investment in infrastructure and sustainable development projects have minimal adverse impact on environment and people;

- (d) **Climate change:** NDB seeks to promote mitigation and adaptation measures to address climate change. Recognizing the sustainable nature of green economic growth and the associated benefits, NDB aims to build upon existing green economic growth initiatives and provide support for the new ones at regional, national, sub-national and private sector level. NDB also encourages climate proofing of its infrastructure financing and investments to build resilience to climate change;
- (e) **Conservation of natural resources:** NDB promotes the conservation of natural resources including energy, water and supports sustainable land use management and urban development;
- (f) **Gender equality:** NDB believes that gender equality is important to successful and sustainable economic development and accordingly considers it imperative to mainstream gender equality issues in all its operations;
- (g) **Precautionary approach:** NDB uses a precautionary approach to justify discretionary decisions in situations where there is the possibility of environmental and social harm from making project decisions; and
- (h) **Co-operative functioning and knowledge dissemination:** NDB seeks to complement the existing efforts of multilateral financial institutions, regional financial institutions and other agencies. In co-financed projects, NDB seeks to promote harmonization of its policies with partnering financial institutions and other agencies by way of adopting a common approach to appraisal, environmental and social management requirements, monitoring and reporting. In addition, NDB intends to disseminate knowledge gained with its development partners.

TAXATION

The tax laws of the investor's Member State and of the Issuer's Member State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

Tax Status of the Issuer

Under the Articles of Agreement as in force from time to time, no tax of any kind shall be levied by a member state of the Issuer on any obligation or security issued by the Issuer, including any dividend or interest thereon, by whomsoever held: (a) which discriminates against such obligation or security solely because it is issued by the Issuer or; (b) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Issuer. Also, under the Articles of Agreement, the Issuer is exempt from any obligation for the payment, withholding or collection of any tax by a member state. Accordingly, the interest due on the Notes will be paid to the Paying Agents without deduction in respect of any tax by a member state.

If any taxation does apply to payments due on the Notes, notwithstanding the provisions of the Articles of Agreement, neither the Issuer nor the Paying Agents will make any additional payment in the event of any deduction or withholding being required in respect of such taxation and neither the Issuer nor the Paying Agents shall be liable to any holder of the Notes or to any other person for any commissions, costs, losses or expenses in relation to or resulting from such withholding or payment.

FATCA

Foreign Account Tax Compliance Act ("FATCA")

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless such Notes are (i) materially modified after such date or (ii) treated as equity for U.S. federal income tax purposes. However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from outstanding Notes in the same Series are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all notes in such Series, including grandfathered Notes, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria,

Portugal, Slovenia and Slovakia (each, other than Estonia, a "**participating Member State**"). Estonia has since ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states might decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on the Notes.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as amended and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 25 February 2022, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Summary of Provisions relating to the Notes while in Global Form*" and "*Terms and Conditions of the Notes*".

If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Pricing Supplement as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Pricing Supplement. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Pricing Supplement as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Pricing Supplement.

In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under 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 except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and U.S. Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether the Notes will be issued (i) in compliance with U.S. Treasury regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**") rules or U.S. Treasury regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA D**") or (ii) under circumstances pursuant to which the Notes will not constitute registration required obligations under the U.S. Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") such that TEFRA is not applicable. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "**offer**" includes 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.

Prospectus Regulation Public Offer Selling Restriction

If the Pricing Supplement in respect of any Notes does not include a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in any Member State of the EEA except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State of the EEA 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 the Notes.

United Kingdom

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

- (a) **No deposit taking:** 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 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: (A) 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 (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue

of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA") by the Issuer;

- (b) **Financial promotion:** 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) **General compliance:** 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 UK.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it 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 used herein means any person resident in Japan, including any corporation or other entity organised 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 FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any of the Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO")) other than (i) to "professional investors" as defined in 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMPO)") or which do not constitute an offer to the public within the meaning of the C(WUMPO); 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 of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 or securities-based derivatives contracts (each term as defined in Section 2(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:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Offering Memorandum 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 neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents 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 any such sale.

GENERAL INFORMATION

Authorisation

The establishment and subsequent updates of the Programme were duly authorised by a resolution of the Issuer dated 31 March 2019. Each issue of Notes will be duly authorised by a resolution of the Issuer on the date set out in the applicable Pricing Supplement for any Tranche of Notes.

Listing of Notes

Application has been made for Notes issued under the Programme to be admitted to the Official List and trading on the Main Market of the London Stock Exchange. However, Notes may be issued pursuant to the Programme which will not be listed on the Main Market of the London Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

Documents Available

For as long as Notes are outstanding, copies of the following documents will, when published, be available for inspection, electronically, from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the Articles of Agreement (with an English translation thereof) of the Issuer;
- (b) a copy of this Base Offering Memorandum;
- (c) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes and Global Note Certificates, the Notes in definitive form, the Coupons and the Talons; and
- (d) any future prospectuses, information memoranda, supplements and Pricing Supplement to this Base Offering Memorandum and any other documents incorporated herein or therein by reference.

Moreover, for as long as Notes are outstanding, the items listed at paragraphs (a) to (c) above are available on the website of the Issuer, being www.ndb.int.

Issuer website

The Issuer's website is www.ndb.int. Unless specifically incorporated by reference into this Base Offering Memorandum, information contained on the website of the Issuer does not form part of this Base Offering Memorandum.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN and (to the extent applicable) Classification of Financial Instruments (CFI) code and the Financial Instrument Short Name (FISN) for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

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

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Group since 30 September 2021 and there has been no material adverse change in the prospects of the Issuer since 31 December 2020.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any 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 document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The Auditor of the Issuer for the financial years ended 31 December 2020 and 31 December 2019 is Deloitte Touche Tohmatsu Certified Public Accountants LLP. Deloitte Touche Tohmatsu Certified Public Accountants LLP is empowered by the Ministry of Finance of China to carry out its auditing activities.

Legal Entity Identifier:

The Legal Entity Identifier of the Issuer is 254900VPI91W77OOUM06.

Dealers Transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. In addition, 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 Issuer's 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 would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. 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.

Availability of Offering Memorandum

This Base Offering Memorandum is available on the Issuer's website at: <https://www.ndb.int/>

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