

Final Terms dated November 1, 2022



NATIONAL BANK OF CANADA

NATIONAL BANK OF CANADA

(a Canadian chartered bank)

Legal Entity Identifier (LEI): BSGEFEIOM18Y80CKCV46

Issue of CHF 280,000,000 1.9575 per cent. Covered Bonds due November 3, 2027
under the

CAD 20,000,000,000

**Legislative Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
NBC COVERED BOND (LEGISLATIVE) GUARANTOR
LIMITED PARTNERSHIP**

(a limited partnership formed under the laws of Ontario)

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (“CMHC”) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

THE COVERED BONDS DESCRIBED OR DELIVERED IN THESE FINAL TERMS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, THE COVERED BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

No prospectus is required in accordance with the Prospectus Regulation or the UK Prospectus Regulation (each as defined below) for this issue of Covered Bonds. The Covered Bonds which are the subject of these final terms are not compliant with the Prospectus Regulation or the UK Prospectus Regulation and the Financial Conduct Authority has neither approved nor reviewed the information contained in these final terms.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Covered Bonds 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 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”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, “IDD”), 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 Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds 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 United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated 2 September 2022 (the “Prospectus”) which is incorporated in the Swiss Prospectus dated November 1, 2022 (the “Swiss Prospectus”). This document constitutes the Final Terms of the Covered Bonds described herein and must be read in conjunction with the Prospectus and the Swiss Prospectus. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms, the Prospectus and the Swiss Prospectus. Copies of the Swiss Prospectus, together with all documents incorporated by reference therein may be obtained from the specified offices or address, respectively of the Issuer and UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, CH-8098 Zurich, Switzerland, E-Mail: swiss-prospectus@ubs.com as set out at the end of these Final Terms.

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| 1. | (i) Issuer: | National Bank of Canada |
| | Branch: | Head office of the Bank in Montréal |
| | (ii) Guarantor: | NBC Covered Bond (Legislative) Guarantor Limited Partnership |
| 2. | (i) Series Number: | CBL21 |
| | (ii) Tranche Number: | 1 |
| | (iii) Date on which the Covered Bonds become fungible: | Not Applicable |
| 3. | Specified Currency or Currencies: | Swiss Francs (CHF) |
| | (Condition 1.10) | |
| 4. | Aggregate Principal Amount: | CHF 280,000,000 |
| | (i) Series: | CHF 280,000,000 |
| | (ii) Tranche: | CHF 280,000,000 |
| 5. | Issue Price: | 100.00 per cent. of the Aggregate Principal Amount |

6. (i) Specified Denominations: CHF 5,000
(Condition 1.08 or 1.09)
- (ii) Calculation Amount: CHF 5,000
7. (i) Trade Date: October 20, 2022
- (ii) Issue Date: November 3, 2022
- (iii) Interest Commencement Date: Issue Date
8. (i) Final Maturity Date: November 3, 2027
- (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: The Interest Payment Date falling in or nearest to November 3, 2028
9. Interest Basis: 1.9575 per cent. per annum Fixed Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date
- If applicable in accordance with item 15 below, Daily Compounded SARON for a 1-month Observation Period + 0.18 per cent. per annum Floating Rate from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date, subject to a minimum interest rate of 0.000 per cent. (further particulars specified in item 15 below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis: Applicable if and only to the extent that item 15 below applies to the Covered Bonds
12. Put/Call Options: Not Applicable
13. Date of Board approval for issuance of Covered Bonds obtained: Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond Provisions: Applicable from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date
(Condition 5.02)
- (i) Rate of Interest: 1.9575 per cent. per annum payable annually in arrears during the period from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date

(ii) Interest Payment Date(s) :	November 3 rd in each year adjusted in accordance with the Business Day Convention up to and including the Final Maturity Date, commencing November 3, 2023
(iii) Business Day Convention:	Following Business Day Convention, unadjusted
(iv) Fixed Coupon Amount:	97.875 per Calculation Amount
(v) Broken Amount(s)	Not Applicable
(vi) Day Count Fraction:	30/360
(vii) Determination Dates:	Not Applicable
15. Floating Rate Covered Bond Provisions: (Condition 5.03)	Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date
(i) Interest Period(s):	The first Interest Period shall comprise the period from and including the Final Maturity Date to but excluding the first Specified Interest Payment Date. The Interest Periods shall, thereafter, be the period from and including each Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date.
(ii) Specified Interest Payment Dates:	The Specified Interest Payment Dates shall be monthly on the 3 rd day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, unless redeemed in full prior to such Extended Due for Payment Date; and subject, in each case, to adjustment in accordance with the Business Day Convention specified in item 15(iii) below
(iii) Business Day Convention:	Modified Following Business Day Convention
(iv) Financial Centre(s):	Zurich, Montréal, Toronto
(v) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	The Swiss Principal Paying Agent shall be the Calculation Agent
(vii) Screen Rate Determination:	Applicable
– Reference Rate:	Daily Compounded SARON for a 1-month Observation Period (see Annex 1)
– Compounded SOFR Convention:	Not Applicable
– Calculation Method:	Compounded Daily Rate
– Observation Method:	Shift Observation Method

– Observation Look-Back Period:	5 Zurich Banking Days
– Relevant Number:	Not Applicable
– Interest Determination Date(s):	Second Zurich Banking Day prior to the end of each Interest Period
– Relevant Screen Page:	Not Applicable
– Relevant Time:	Not Applicable
– Reference Banks:	Not Applicable
– Financial Centre(s):	Zurich, Montréal, Toronto
(viii) ISDA Determination:	Not Applicable
(ix) Margin(s):	+ 0.18 per cent. per annum
(x) Linear Interpolation (Condition 5.10)	Not Applicable
(xi) Minimum Interest Rate: (Condition 5.05)	0.000 per cent. per annum
(xii) Maximum Interest Rate: (Condition 5.05)	60.00 per cent. per annum
(xiii) Day Count Fraction:	Actual/360
16. Zero Coupon Covered Bond Provisions: (Condition 5.11)	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17. Call Option (Condition 6.03)	Not Applicable
18. Put Option (Condition 6.06)	Not Applicable
19. Final Redemption Amount of each Covered Bond	CHF 5,000 per Calculation Amount
20. Early Redemption Amount: Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default or	CHF 5,000 per Calculation Amount

Special Circumstance and/or the method of calculating the same:
(Conditions 6.02, 6.03, 6.13 or 7)

21. Early Redemption for Special Circumstance Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

22. Form of the Covered Bonds:

Bearer Covered Bonds:

The Covered Bonds and all rights in connection therewith are documented in the form of a Global Covered Bond which shall be deposited with SIX SIS Ltd. or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the “Intermediary”). Once the Global Covered Bond has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Covered Bonds will constitute intermediated securities (*Bucheffekten*) (“Intermediated Securities”) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each holder of the Covered Bonds shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Global Covered Bond to the extent of the holder’s claim against the Issuer, provided that for so long as the Global Covered Bond remains deposited with the Intermediary the co-ownership interest shall be suspended and the Covered Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by entry of the transferred Covered Bonds in a securities account of the transferee.

The records of the Intermediary will determine the number of Covered Bonds held through each participant in that Intermediary. In respect of the Covered Bonds held in the form of Intermediated Securities, the holders of the Covered Bonds will be the persons holding the Covered Bonds in a securities account.

Holders of the Covered Bonds do not have the right to effect or demand the conversion of the Global Covered Bond into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Covered Bonds (*Wertpapiere*).

The Global Covered Bond shall not be exchangeable in whole or in part for definitive bearer Covered Bonds.

23. New Global Covered Bond: No
24. Financial Centre(s) or other special provisions relating to payment dates: Zurich, Montréal, Toronto
25. Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06) No
26. Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made: (Condition 6.12) Not Applicable
27. Other final terms: Applicable
- For the purpose of this Series of Covered Bonds only,
- A. Condition 5.03 shall be amended by Annex 1
- B. the following paragraphs shall be added to Condition 9:
- The receipt by the Swiss Principal Paying Agent of the due and punctual payment of funds in Swiss Francs in Zurich, in the manner provided by the Conditions and these Final Terms, shall release the Issuer from its obligations under the Covered Bonds for the payment of interest and principal due on the respective Interest Payment Date and Maturity Date to the extent of such payment.
- C. Condition 13.02 shall be amended by Annex 2
- D. Condition 14 shall be replaced as follows:
- So long as the Covered Bonds are listed on the SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so require, notices must be published (i) on the internet website of the SIX Swiss Exchange (currently [«https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/»](https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/»)) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. Any notices so given will be deemed to have been validly given on the date of such publication or if published more than once, on the first date of such publication.

THIRD PARTY INFORMATION

The ratings explanations set out in Item 2. "Ratings" of Part B have been extracted from websites of Moody's, Fitch and DBRS. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Moody's, Fitch and DBRS, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By: (s) Jean-Sébastien Gagné
Duly authorized

By: (s) Jean-Sébastien Gagné
Duly authorized

PART B—OTHER INFORMATION

1. LISTING

- (i) Listing/Admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be provisionally admitted to the SIX Swiss Exchange trading on standard for Bonds with effect from November 1, 2022.
- (ii) Estimate of total expenses related to admission to trading: CHF 9,800

2. RATINGS

The Covered Bonds to be issued are expected to be rated:

Ratings: Moody's: Aaa

Obligations rated "Aaa" are judged to be of the highest quality, with minimal risk. (Source: Moody's, <https://www.moodys.com/ratings-process/RatingsDefinitions/002002>)

Fitch: AAA

Obligations rated "AAA" denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. (Source: Fitch, <https://www.fitchratings.com/products/ratingdefinitions#about-rating-definitions>)

DBRS: AAA

Obligations rated "AAA" are judged to be of the highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events. (Source: DBRS, <https://www.dbrsmorningstar.com/media/00000000069.pdf>)

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

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer

4. FIXED RATE COVERED BONDS ONLY – YIELD

Indication of yield based on the Issue Price: 1.9575 per cent. per annum in respect of the fixed interest rate payable on the Covered Bonds

The yield has been calculated on the basis of the issue price and is no indication for future yield.

5. DISTRIBUTION

- (i) If syndicated, names of Managers: UBS AG, National Bank Financial Inc.
- (ii) Stabilising Manager(s) (if any): Not Applicable
- (iii) US Selling Restrictions: Regulation S compliance Category 2; Not Rule 144A eligible; TEFRA D Rules in accordance with usual Swiss market practice
- (iv) Additional Selling Restrictions: The Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada
- (v) Prohibition of Sales to EEA Retail Investors: Applicable
- (vi) Prohibition of Sales to UK Retail Investors: Applicable

6. OPERATIONAL INFORMATION

- (i) ISIN Code: CH1221150480
- (ii) Common Code: 255088041
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking Société Anonyme or DTC or CDS, their addresses and the relevant identification number(s): SIX SIS AG
Swiss Security Number: 122.115.048
and indirectly through:
Euroclear Bank SA/NV
Clearstream Banking, Société Anonyme
- (iv) Delivery: Delivery against payment
- (v) Name(s) and address(es) of initial Paying Agent(s), Registrars, Exchange Agent and Transfer Agents: UBS AG
Bahnhofstrasse 45
8001 Zurich
Switzerland
- (vi) Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s): Not Applicable
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: No

7. PROCEEDS

- (i) Use of Proceeds: As specified in the Swiss Prospectus
- (ii) Estimated net proceeds: CHF 279,175,000

8. **UNITED STATES TAX CONSIDERATIONS**

Not applicable

ANNEX 1

SARON PROVISIONS

For the purposes of this Series of Covered Bonds, the following provision shall be added at the end of Condition 5.03:

Rate of Interest – SARON

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being SARON, then the Rate of Interest for each Interest Period will, subject as provided below and subject to the provisions of Condition 13.02, be Compounded Daily SARON plus or minus the Margin (as indicated in the applicable Final Terms) as determined by the Calculation Agent.

“**Compounded Daily SARON**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily overnight interest rate of the secured funding market for Swiss franc) as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one tenthousandth of a percentage point, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_b} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d_c}$$

where:

“ d_b ” means the number of Zurich Banking Days (as defined below) in the relevant Observation Period;

“ d_c ” is the number of calendar days in the relevant Observation Period;

“ i ” is a series of whole numbers from one to d_b , representing the Zurich Banking Days in the relevant Observation Period in chronological order from, and including, the first Zurich Banking Day in such Observation Period;

“ n_i ” for any Zurich Banking Day “ i ” is the number of calendar days from, and including, such Zurich Banking Day “ i ” up to, but excluding, the first following Zurich Banking Day;

“**Observation Lookback Period**” is as specified in the applicable Final Terms;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling “ p ” Zurich Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date falling “ p ” Zurich Banking Days prior to the Interest Payment Date for such Interest Period;

“ p ”, for any Interest Period, is the number of TARGET2 Business Days included in the Observation Look-Back Period, as specified in the applicable Final Terms;

“ $SARON_i$ ” means, in respect of any Zurich Banking Day i , SARON for such Zurich Banking Day i ;

“**SARON**” means, in respect of any Zurich Banking Day, the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Administrator Website at the Relevant Time on such Zurich Banking Day; or

- (i) if SARON does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to such Zurich Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the first preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website; or
- (ii) if such rate does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred on or prior to such Zurich Banking Day, then SARON shall be determined to be the SARON Replacement determined in accordance with Condition 13.2 (c.1).

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

ANNEX 2

SARON INDEX CESSATION EVENT PROVISIONS

The following provision shall be added after Condition 13.02(c)(ii):

(iii) Effect of a SARON Index Cessation Event on SARON-referenced Floating Rate Covered Bonds

If the Issuer or its designee determines on or prior to the Reference Time that a SARON Cessation Event and its related SARON Index Cessation Effective Date (each as defined below) have occurred with respect to SARON-referenced Covered Bonds, then the Bond Trustee shall be obliged, without the consent or sanction of the Covered Bondholders (including without the requirement to provide to Covered Bondholders an opportunity to object) and subject to the consent only of the Secured Creditors (x) party to the relevant Transaction Document being amended or (y) whose ranking in any Priorities of Payments is affected, subject to satisfaction of Condition 13.02(c)(iii)(D) (the “**Benchmark Transition Event Conditions**”), to concur with the Issuer or its designee in making any modification (other than in respect of a Series Reserved Matter, provided that neither replacing SARON with the SARON Replacement nor any SARON Replacement Conforming Changes (each as defined below) shall constitute a Series Reserved Matter) of these Conditions or any of the Transaction Documents solely with respect to any SARON-referenced Floating Rate Covered Bonds that the Issuer or its designee decides may be appropriate to give effect to the provisions set forth under this Condition 13.02(c)(iii) in relation only to all determinations of the rate of interest payable on any SARON-referenced Floating Rate Covered Bonds (and any related swap agreements), provided that:

- (A) *Benchmark Replacement.* If the Issuer or its designee determines that a SARON Cessation Event and its related SARON Index Cessation Effective Date have occurred prior to the Relevant Time in respect of any determination of SARON on any date applicable to any SARON-referenced Floating Rate Covered Bonds, subject to satisfaction of the Benchmark Transition Event Conditions, the SARON Replacement will replace SARON for all purposes relating to any Floating Rate Covered Bonds calculated by reference to SARON in respect of such determination on such date and all determinations on all subsequent dates;
- (B) *SARON Replacement Conforming Changes.* In connection with the implementation of a SARON Replacement with respect to any Floating Rate Covered Bonds calculated by reference to SARON, the Issuer or its designee will have the right, subject to satisfaction of the Benchmark Transition Event Conditions, to make SARON Replacement Conforming Changes with respect to any SARON-referenced Floating Rate Covered Bonds from time to time;
- (C) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 13.02(c)(iii), including any determination with respect to 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, in each case, solely with respect to any Floating Rate Covered Bonds calculated by reference to SARON:
 - (I) will be conclusive and binding absent manifest error;
 - (II) if made by the Issuer, will be made in the Issuer’s sole discretion;
 - (III) if made by the Issuer’s designee, will be made after consultation with the Issuer, and the designee will not make any such determination, decision or election to which the Issuer objects; and
 - (IV) shall become effective without consent, sanction or absence of objection from the Covered Bondholders or any other party, except as otherwise provided in this Condition 13.02(c)(iii).

Any determination, decision or election pursuant to the benchmark replacement provisions not made by the Issuer's designee will be made by the Issuer on the basis as described above. The designee shall have no liability for not making any such determination, decision or election absent bad faith or fraud.

In no event shall the Calculation Agent or Swiss Paying Agent be the "designee" of the Issuer nor be responsible for determining any substitute for SARON, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or its designee and will have no liability for such actions taken at the direction of the Issuer or its designee.

None of the Swiss Paying Agent or the Calculation Agent will have any liability for any determination made by or on behalf of the Issuer or its designee in connection with a SARON Cessation Event or a SARON Replacement.

(D) *Other conditions.*

(I) The Issuer shall certify in writing to the Bond Trustee, the Swiss Paying Agent and the Calculation Agent in writing (such certificate, a "**SARON Base Rate Modification Certificate**") that (I) a SARON Cessation Event and its related SARON Index Cessation Effective Date have occurred specifying the SARON Replacement; and (II) that the SARON Replacement Conforming Changes have been made in accordance with this Condition 13.02(c)(iii);

(II) The Issuer shall have obtained the consent of each Secured Creditor (x) which is party to the relevant Transaction Document being amended, or (y) whose ranking in any Priorities of Payments is affected has been obtained (evidence of which shall be provided by the Issuer to the Bond Trustee with the SARON Base Rate Modification Certificate) and no other consents are required to be obtained in relation to the SARON Replacement, provided, for the avoidance of doubt, that the Calculation Agent and the Swiss Paying Agent, as Secured Creditors, shall not be obliged to agree to any SARON Replacement Conforming Changes to any Transaction Documents, which, in the sole opinion of such Calculation Agent or the Swiss Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to any such person in the Agency Agreement;

(III) With respect to each Rating Agency, a Rating Agency Confirmation (as defined in Condition 20) has been obtained; and

(IV) The Issuer shall pay (or arrange for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such SARON Replacement.

(E) *Definitions.* The following definitions shall apply with respect to this Condition 13.02(c)(iii):

"**designee**" means an affiliate or other agent of the Issuer designated by the Issuer.

"**Recommended Replacement Rate**" means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organized in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things,

considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the “**Recommending Body**”).

“**Recommended Adjustment Spread**” means, with respect to any Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

(a) that the Recommending Body has recommended be applied to such Recommended Replacement Rate in the case of fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or

(b) if the Recommending Body has not recommended such a spread, formula or methodology as described in clause (a) above, to be applied to such Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon.

“**Relevant Time**” means, in respect of any Zurich Banking Day, close of trading on SIX Swiss Exchange on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time);

“**SARON Administrator**” means SIX Swiss Exchange or any successor administrator of SARON;

“**SARON Administrator Website**” means the website of the SARON Administrator;

“**SARON Index Cessation Event**” means the occurrence of one or more of the following events:

(a) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or

(b) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of subclause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

“**SARON Index Cessation Effective Date**” means, in respect of a SARON Index Cessation Event, the earliest of:

(a) (in the case of a SARON Index Cessation Event described in clause (a) of the definition thereof) the date on which the SARON Administrator of the Swiss Average Rate Overnight ceases to provide the Swiss Average Rate Overnight;

(b) (in the case of a SARON Index Cessation Event described in clause (b)(x) of the definition thereof) the latest of

(i) the date of such statement or publication;

(ii) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative; and

(iii) if a SARON Cessation Event described in clause (b)(y) of the definition of SARON Index Cessation Event has occurred on or prior to either or both dates specified in subclauses (i) and (ii) of this clause (b), the date as of which the Swiss Average Rate Overnight may no longer be used; and

(c) (in the case of a SARON Index Cessation Event described in clause (b)(y) of the definition thereof) the date as of which the Swiss Average Rate Overnight may no longer be used.

“**SARON Replacement**” means (i) the Recommended Replacement Rate, giving effect to the Recommended Adjustment Spread, if any or (ii) if there is no Recommended Replacement Rate within one Zurich Business Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the “**SNB Policy Rate**”) for such Zurich Banking Day, giving effect to the SNB Adjustment spread, if any.

“**SARON Replacement Conforming Changes**” means, with respect to any SARON Replacement, any technical, administrative or operational changes (including without limitation changes to the definition of "Interest Period", determination dates, timing and frequency of determining rates and making payments, rounding of amounts, or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such SARON Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the SARON Replacement exists, in such other manner as the Issuer or its designee) determines is reasonably necessary).

“**SIX Swiss Exchange**” means SIX Swiss Exchange AG and any successor thereto;

“**SNB Adjustment Spread**” means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred); and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

- (F) *Conflict.* To the extent that there is any inconsistency between the conditions set out in Condition 13.2(c)(iii) and any other Condition, the statements in this section shall prevail with respect to any Floating Rate covered bonds calculated by reference to SARON.

Without prejudice to the obligations of the Issuer under this Condition 13.2(c)(iii), SARON and the temporary fallback provisions provided for in Condition 5.03 will continue to apply unless and until the Bond Trustee has received the SARON Base Rate Modification Certificate in accordance with this Condition 13.2(c)(iii). For the avoidance of doubt, this Condition 13.2(c)(iii) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 13.2 (c)(iii).