Prospectus

BP CAPITAL MARKETS p.l.c.

(Incorporated as a public limited company in England and Wales under the Companies Act 1948 with registered number 1290444)

US$30,000,000,000
Debt Issuance Programme
Unconditionally and irrevocably guaranteed by

BP p.l.c.

(Incorporated in England under the Companies (Consolidation) Act 1908 registered number 102498)

This Prospectus supersedes the Prospectus dated 14 August 2013 in connection with the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue.

Under the Debt Issuance Programme described in this Prospectus (the "Programme"), BP Capital Markets p.l.c. ("BP Capital" or the "Issuer") subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "Notes") unconditionally and irrevocably guaranteed by BP p.l.c. ("BP" or the "Guarantor"). Subject to compliance with all relevant laws, regulations and directives, the Notes shall have a minimum maturity of one month and no maximum maturity. The aggregate principal amount of Notes outstanding will not at any time exceed US$30,000,000,000 (or the equivalent in other currencies).

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive (as defined below), the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of such Notes). An investment in the Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors".

Application has been made to the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended) (the "FSMA") (the "UK Listing Authority") for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a Final Terms supplement (the "Final Terms") which, with respect to Notes to be listed will be delivered to the UK Listing Authority and the London Stock Exchange will be delivered to the relevant competent authority, on or before the date of issue of the Notes of such Tranche. In the case of Notes listed on the SIX Swiss Exchange ("Swiss Notes") references to the Final Terms contained in this Prospectus shall be construed as references to the pricing supplement contained in this Prospectus (the "Pricing Supplement").

References in this Prospectus to Notes listed on the SIX Swiss Exchange are to Notes for which no prospectus is required to be published under the Prospectus Directive. The UKLA has neither approved nor reviewed information contained in this Prospectus in connection with Notes listed on the SIX Swiss Exchange.

In relation to each separate issue of Notes, the final offer price and amount of such Notes will be determined by the Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the relevant Final Terms. Each Series (as defined in "Overview of the Programme") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (a "temporary Global Note") or a permanent global note in bearer form (a "permanent Global Note", together with the temporary Global Notes, the "Global Notes"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. If a Global Certificate (as defined in "Overview of the Programme") is held under the New Safekeeping Structure (the "NSS"), the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear and Clearstream, Luxembourg. Global Notes and Certificates which are not held under the NSS may be deposited on the issue date with a common depositary on behalf of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") or Global Notes and Global Certificates may be deposited with The Central Depositary (Pte) Limited ("CDP") or Global Notes and Global Certificates may be deposited with a sub-custodian for the Central Moneymarkets Unit Service ("CMU"), operated by the Hong Kong Monetary Authority (the "CMU Service") or, if the Global Notes are intended to be issued in new global note ("NGN") form, as stated in the relevant Final Terms, it will be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg. Notes denominated in Canadian dollars settling and clearing through CDS Clearing and Depository Services Inc. ("CDS", and such Notes, "Canadian Notes") will be represented on issue by a Global Certificate which will be deposited on or prior to the issue date of the Tranche with CDS or a nominee of CDS. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of

Provisions Relating to the Notes While in Global Form".

BP has a long term/short term senior unsecured debt rating of "A2"/"P-1" by Moody's Investors Service Limited ("Moody's") and "A"/"A-1" by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"). The Programme has been rated "A2" by Moody's and "A" by Standard & Poor's. Each of Moody's and Standard & Poor's is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies (the "CRA Regulation"). A list of registered Credit Rating Agencies is published on the European Securities and Markets Authority ("ESMA") website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to any Notes may adversely affect the market price of the Notes. Please also refer to "*Ratings of the Notes*" in the "Risk Factors" section of this Prospectus.

Arranger

UBS Investment Bank

Dealers

BofA Merrill Lynch **Credit Suisse**

Deutsche Bank **Goldman Sachs International**

J.P. Morgan **Morgan Stanley**

UBS Investment Bank

13 August 2014

This Prospectus comprises a base prospectus (a "Base Prospectus") for the purposes of Article 5.4 of the Prospectus Directive in respect of BP Capital. For the purposes of this Prospectus, the expression "Prospectus Directive" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each of BP and BP Capital (the "Responsible Persons") accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of BP and BP Capital (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers or the Arranger (each as defined below). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Guarantor or any of their respective subsidiaries and affiliates (together the "Group" or the "BP Group") since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Guarantor or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may include Notes in bearer form that are subject to US 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, US persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Dealers and the Arranger have not separately verified the information contained in this Prospectus. To the fullest extent permitted by law, none of the Dealers or the Trustee accept any responsibility for the contents of this Prospectus. Each of the Dealers and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Dealers or the Arranger that any recipient of this Prospectus or any other financial statements supplied in connection with the Programme or any Notes, should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus or any other financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Group

during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in "Overview of the Programme" below) of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "Stabilisation Manager(s)") (or any persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or any persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. 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 be ended 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.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer 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 or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to 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 Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing

conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (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.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of such Notes).

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "GBP", "£", "sterling" and "pounds sterling" are to the currency of the United Kingdom, references to "Renminbi", "RMB" and "CNY" are to the lawful currency of the People's Republic of China, references to "€" and "euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (as amended from time to time), references to "US dollars" and "US$" are to the currency of the United States of America, references to "C$", "CAD" and "CDN" are to the currency of Canada, references to "Singapore dollars" and "S$" are to the lawful currency of Singapore, references to "China", "Mainland China" and "PRC" are to the People's Republic of China which, for the purpose of this Prospectus, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan and references to "PRC Government" are to the government of the PRC.

References to Final Terms in this Prospectus includes references to the Pricing Supplement (which is applicable in respect of Swiss Notes only), where appropriate.

Forward-looking statements

The Prospectus contains, or is deemed to incorporate by reference, certain forward-looking statements – that is, statements related to future, not past events – with respect to the financial condition, results of operation and businesses of the BP Group (including BP and BP Capital) and certain of the plans and objectives of the BP Group (including BP and BP Capital) with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions. In particular, among other statements, certain statements regarding the legal and trial proceedings, court decisions, potential investigations and civil actions by regulators, government entities and/or other entities or parties, and the risks associated with such proceedings; are all forward looking in nature.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future.

Actual results may differ from those expressed in such statements, depending on a variety of factors including the receipt of relevant third-party and/or regulatory approvals; future levels of industry product supply; demand and pricing; Organisation of the Petroleum Exporting Countries ("OPEC") quota restrictions; production-sharing agreements ("PSA") effects; operational problems; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including court decisions, the types of enforcement action pursued and the nature of remedies sought or imposed; the impact on BP's reputation following the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors, trading partners, creditors, rating agencies and others; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism, cyber-attacks or sabotage; and other factors discussed elsewhere in the Prospectus including under "Risk Factors". In addition to factors set forth elsewhere in the Prospectus, those set out above are important factors, although not exhaustive, that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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Documents Incorporated by Reference

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The following documents which have been previously published or are published simultaneously with the Prospectus and have been approved by the Financial Conduct Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Prospectus:

(a) the audited consolidated financial statements of the BP Group for the financial years ended 31 December 2012 and 2013 together, in each case, with the audit report thereon as set out on pages 117-199 of the BP Annual Report and Form 20F 2013 and set out on pages 179-262 of the BP Annual Report and Form 20F 2012:

Audited consolidated financial statements of the BP Group for the financial year 31 December 2013

BP Annual Report and Form 20F 2013

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Audited consolidated financial statements of the BP Group for the financial year 31 December 2012

BP Annual Report and Form 20F 2012

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(b) the unaudited condensed consolidated financial statements of the BP Group for the six months ended 30 June 2014 (the "Half Year 2014 Report"):

Unaudited condensed consolidated financial statements of the BP Group for the six months ended financial year 30 June 2014

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(c) the audited financial statements of BP Capital for the financial years ended 31 December 2012 and 2013 together, in each case, with the audit report thereon:

Annual Report and Accounts 2013 for BP Capital Markets p.l.c

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(d) the following Terms and Conditions of the Notes contained in each of the previous offering circulars and prospectuses relating to the Programme: (i) pages 21-44 of the Prospectus dated 1 September 2006; (ii) pages 22-44 of the Prospectus dated 29 August 2007; (iii) pages 23-45 of the Prospectus dated 7 August 2008; (iv) pages 25-50 of the Prospectus dated 7 August 2009; (v) pages 27-52 of the Prospectus dated 6 August 2010; (vi) pages 28-53 of the Prospectus dated 4 August 2011, (vii) pages 28-50 of the Prospectus dated 9 August 2012 and (viii) pages 35-68 of the Prospectus dated 14 August 2013 respectively,

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus 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 be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Any non-incorporated parts of a document referred to herein are either not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange plc at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Supplementary Prospectus

In addition to the obligation under Section 87 of the FSMA each of the Issuer and the Guarantor has given an undertaking to the Dealers that if, (i) at any time during the duration of the Programme a significant new factor, material mistake or inaccuracy arises or is noted relating to information included in this Prospectus which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and/or the Guarantor and/or the rights attaching to the Notes and/or the Guarantee or (ii) this Prospectus omits any fact concerning the Issuer, the Guarantor, any of their respective subsidiaries or the Programme the omission of which would, in the context of the issue and offering of the Notes make any material statement herein misleading, the Issuer or, as the case may be, the Guarantor shall promptly notify the Dealers and prepare and deliver such an amendment, supplement or replacement of the Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such amendment, supplement or replacement hereto as such Dealer may reasonably request.

Overview of the Programme

This overview must be read as an introduction to this Prospectus. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor.

Words and expressions defined or used in "Terms and Conditions of the Notes" below shall have the same meanings in this overview. The Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form other than that contemplated in "Terms and Conditions of the Notes" herein, in which event a supplement to the Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Issuer	BP Capital Markets p.l.c.
Guarantor	All Notes issued under the Programme will be unconditionally and irrevocably guaranteed by BP p.l.c.
Description of the Programme	Debt Issuance Programme
Size	Up to US$30,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Arranger	UBS Limited
Dealers	Credit Suisse AG Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc UBS Limited UBS AG The Issuer and the Guarantor may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee	The Law Debenture Trust Corporation p.l.c.
Issuing and Paying Agent	Citibank, N.A., London Branch (in respect of Notes other than CDP Notes and CMU Notes), Citicorp Investment Bank (Singapore) Limited (in respect of CDP Notes) and Citicorp International Limited (in respect of CMU Notes)

Transfer Agent	Citibank, N.A., London Branch
Registrar	Citigroup Global Markets Deutschland AG (in respect of Notes other than CDP Notes and CMU Notes) and Citicorp International Limited (in respect of CDP Notes and CMU Notes)
Paying Agent	Citigroup Global Markets Deutschland AG (in respect of Notes other than CDP Notes and CMU Notes)
Canadian Authentication Agent	Citi Trust Company Canada
CMU Lodging Agent	Citicorp International Limited
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency if the Issuer, the Guarantor and the relevant Dealers so agree.
Maturities	Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.
Denomination	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer or such other amount as may be required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, save that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of such Notes).
Method of Issue	The Notes will be issued on a syndicated or a 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 Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.
Form of Notes	The Notes may be issued in bearer form only ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form only ("Registered Notes"). Each Tranche of Bearer Notes and

	Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Selling Restrictions" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates". Global Notes may be issued in NGN form or classic global note ("CGN") form, as set out in the relevant Final Terms. Global Certificates may be held under the New Safekeeping Structure.
Clearing Systems	CDP, the CMU, Euroclear, Clearstream, Luxembourg, CDS and/or, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Trustee, the Issuing and Paying Agent and the relevant Dealer.
Notes having a maturity of less than one year	Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 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".
Selling Restrictions	United States, the European Economic Area (including the United Kingdom), Singapore, Canada, Japan, Hong Kong, the PRC, New Zealand and such other restrictions as may be required in connection with a particular issue. See "Subscription and Sale". The Notes to be offered and sold will be subject to the restrictions of Category 2 for the purposes of Regulation S under the Securities Act. Bearer Notes having a maturity of more than one year will be subject to the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") and will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the "D Rules") unless (i) the relevant Final Terms states that Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under TEFRA, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Fixed Interest Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.); or (ii) by reference to LIBOR, EURIBOR, CAD-BA-CDOR, SOR or SIBOR as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Interest Periods and Rates of Interest	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate or both. The use of interest accrual periods permit the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Optional Redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders, and if so the terms applicable to such redemption.
Status of the Notes and the Guarantee	The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor respectively, all as described in "Terms and Conditions of the Notes - Guarantee and Status".
Cross Default	None.
Negative Pledge	None.
Early Redemption	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes - Redemption, Purchase and Options".
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom, unless required by law. In that event, the Issuer will, subject to customary exceptions, pay such additional amounts as will result in the payment to the Noteholders of the amounts which would otherwise have been received in respect of the Notes, all as described in "Terms and Conditions of the Notes - Taxation".
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.
Rating	Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The credit ratings included or referred to in this Prospectus will be treated for the purposes of the CRA Regulation as having been issued by Moody's and Standard & Poor's. Moody's and Standard & Poor's are established in the European Union and are registered under the CRA Regulation. A list of registered Credit Rating Agencies is published on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).
Listing and admission to trading	Application has been made for Notes (other than Swiss Notes) issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List and to trading on the London Stock Exchange's regulated market. The UKLA has neither approved nor reviewed information contained in this Prospectus in connection with Notes listed on the SIX Swiss Exchange.

Risk Factors

The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme. These factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

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

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued by the Issuer under the Programme, but the Issuer and the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Notwithstanding the foregoing, the factors described below should not be taken as implying that the Issuer or the Guarantor will be unable to comply with its obligations as a company with securities admitted to the Official List.

Investors should note that BP Capital has been created with the purpose of raising debt on behalf of the BP Group and that the creditworthiness of BP Capital is dependent upon that of the Guarantor.

Factors that may affect the ability of the Issuer or the Guarantor to fulfil its obligations under Notes issued by the Issuer under the Programme

Risk factors that apply to BP Capital

BP Capital is a finance vehicle and not an operating company. BP Capital's business is the issuance of debt on behalf of the BP Group. BP Capital does not have any subsidiaries or employees, or own, lease or otherwise hold any real property (including office premises or like facilities), and will not consolidate or merge with any other person. Accordingly, a substantial part of the assets of BP Capital are loans made by it to other members of the BP Group and the ability of BP Capital to satisfy its obligations in respect of the Notes depends upon payments being made to it by other members of the BP Group in respect of such loans.

Risk factors that apply to the business of the BP Group

The risks for the BP Group arising from the 2010 Gulf of Mexico oil spill are described under "The Gulf of Mexico oil spill" below. Other risks are set out in "Other risks" below. If any of these risks occur, the business, financial condition and results of operations of the BP Group could suffer and the trading price and liquidity of the Notes could decline.

The Gulf of Mexico oil spill

The Gulf of Mexico oil spill has had and could continue to have a material adverse impact on the BP Group.

There is significant uncertainty regarding the extent and timing of the remaining costs and liabilities relating to the Gulf of Mexico oil spill, the impact of this incident on the reputation of the BP Group and the resulting possible impact on the BP Group's licence to operate including the ability to access new opportunities.

The amount of claims, fines and penalties that become payable by BP (including as a result of any potential determination of BP's negligence or gross negligence), the outcome of litigation, the terms of any further settlements including the amount and timing of any payments thereunder, and any costs arising from any longer-term environmental consequences of the Gulf of Mexico oil spill, will also impact upon the ultimate

cost for BP. These uncertainties are likely to continue for a significant period and may cause BP Group's costs to increase materially. Thus, the Gulf of Mexico oil spill has had, and could continue to have, a material adverse impact on the BP Group's business, competitive position, financial performance, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, particularly in the US. The risks associated with the Gulf of Mexico oil spill could also heighten the impact of the other risks to which the BP Group is exposed as further described below.

Other risks

Strategic and commercial risks

Access and renewal

Increasing competition for access to investment opportunities and the effects of the Gulf of Mexico oil spill on the BP Group's reputation and cash flows could result in decreased access to opportunities globally.

Successful execution of the BP Group strategy depends on implementing activities to renew and reposition the portfolio of the BP Group. The challenges to renewal of the upstream portfolio of the BP Group are growing due to increasing competition for access to opportunities globally among both national and international oil companies, and heightened political and economic risks in certain countries where significant hydrocarbon basins are located. Lack of material positions could impact future hydrocarbon production of the BP Group.

Moreover, the Gulf of Mexico oil spill has affected BP's reputation, which may have a long-term impact on the ability to access new opportunities, both in the US and elsewhere. Adverse public, political, regulatory and industry sentiment towards BP, and towards oil and gas drilling activities generally, could damage or impair BP Group's existing commercial relationships with counterparties, partners and host governments and could impair BP Group's access to new investment opportunities, exploration properties, operatorships or other essential commercial arrangements with potential partners and host governments, particularly in the US. In addition, costs and liabilities relating to the Gulf of Mexico oil spill have placed, and will continue to place, a significant burden on the BP Group's cash flow, which could impede BP Group's ability to invest in new opportunities and deliver long-term growth.

Prices and markets

Oil, gas and product prices and margins can be very volatile, and are subject to international supply and demand. Political developments (including conflict situations), increased supply from the development of new oil and gas sources, technological change, global economic conditions and the influence of OPEC can particularly affect world supply and oil prices. Previous oil price increases have resulted in increased fiscal take, cost inflation and more onerous terms for access to resources. As a result, increased oil prices may not improve margin performance. Decreases in oil, gas or product prices are likely to have an adverse effect on revenues, margins and profitability, and a material rapid change, or a sustained change, in oil, gas or product prices may mean investment or other decisions need to be reviewed, assets may be impaired, and the viability of projects may be affected. A prolonged period of low oil prices may impact the cash flow, profit and ability of the BP Group to maintain its long-term investment programme with a consequent effect on growth rates, and may impact shareholder returns, including dividends and share buybacks, or share price.

Refining profitability can be volatile, with both periodic over-supply and supply tightness in various regional markets, coupled with fluctuations in demand. Sectors of the petrochemicals industry are also subject to fluctuations in supply and demand, with a consequent effect on prices and profitability.

Crude oil prices are generally set in US dollars, while sales of refined products may be in a variety of currencies. In addition, a high proportion of our major project development costs are denominated in local currencies, which may be subject to volatile fluctuations against the US dollar.

Fluctuations in exchange rates can therefore give rise to foreign exchange exposures, with a consequent impact on underlying costs and revenues. Periods of global recession or prolonged instability in financial markets could negatively impact parties with whom BP Group does or may do business, the demand for BP Group's products and the prices at which they can be sold and could affect the viability of the markets in which BP Group operates.

Climate change and carbon pricing

Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes, reduced profitability from changes in operating costs, potential restrictions on the BP Group's commercial viability of, or its ability to progress, upstream resources and reserves, and impacts on revenue generation and strategic growth opportunities. In addition, the changed nature of the BP Group's participation in alternative energies could carry reputational, economic and technology risks.

Geopolitical

The BP Group has operations, and is seeking new opportunities, in countries and regions where political, economic and social transition is taking place. Some countries have experienced or been subject to, or may in the future experience or be subject to, political instability, changes to the regulatory environment, changes in taxation, expropriation or nationalisation of property, civil strife, strikes, acts of terrorism, acts of war, international sanctions and insurrections. Any of these conditions occurring could disrupt or terminate BP Group operations, causing development activities to be curtailed or terminated in these areas, or production to decline, could limit the BP Group's ability to pursue new opportunities, could affect the recoverability of assets and could cause the BP Group to incur additional costs.

The BP Group sets itself high standards of corporate citizenship and aspires to contribute to a better quality of life through the products and services it provides. If it is perceived that the BP Group is not respecting or advancing the economic and social progress of the communities in which it operates or that it has not satisfactorily addressed all relevant stakeholder concerns in respect of its operations, the BP Group's reputation and shareholder value could be damaged and development opportunities may be precluded.

Competition

The oil, gas and petrochemicals industries are highly competitive. There is strong competition, both within the oil and gas industry and with other industries, in supplying the fuel needs of commerce, industry and the home. Competition puts pressure on the terms of access to new opportunities, licence costs and product prices, affects oil products marketing and requires continuous management focus on improving efficiency, while ensuring safety and operational risk is not compromised. The implementation of the strategy of the BP Group requires continued technological advances and innovation including advances in exploration, production, refining, petrochemicals manufacturing technology and advances in technology related to energy usage. The BP Group's performance could be impeded if competitors developed or acquired intellectual property rights to technology that the BP Group require, if the BP Group's innovation lagged the industry, or if the BP Group failed to adequately protect its company brands and trade marks. The competitive position of the BP Group in comparison to its peers could be adversely affected if competitors offer superior terms for access rights or licences, if the BP Group fails to control operating costs or manage margins, or fails to sustain, develop and operate efficiently a high quality portfolio of assets.

Joint and other contractual arrangements

Many of the BP Group's major projects and operations are conducted through joint arrangements or associates and through contracting and sub-contracting arrangements. These arrangements often involve complex risk allocation, decision-making processes and indemnification arrangements, and BP has less control of such activities than it would have if BP had full ownership and operational control. BP's partners may have

economic or business interests or objectives that are inconsistent with, or opposed to, those of BP and may exercise veto rights to block certain key decisions or actions that BP believes are in its or the joint arrangement's or associate's best interests, or approve such matters without BP's consent. Additionally, BP's joint arrangement partners or associates or contractual counterparties are primarily responsible for the adequacy of the human or technical competencies and capabilities which they bring to bear on the joint project and, in the event these are found to be lacking, then safety, the performance of the project and BP's costs may be adversely affected. BP's joint arrangement partners or associates may not be able to meet their financial or other obligations to their counterparties or to the relevant project, potentially threatening the viability of such projects. Furthermore, should accidents or incidents occur in operations in which BP participates, whether as operator or otherwise, and where it is held that BP's sub-contractors or joint arrangement partners are legally liable to share any aspects of the cost of responding to such incidents, the financial capacity of these third parties may prove inadequate to fully indemnify BP against the costs BP incurs on behalf of the joint or contractual arrangement. Should a key sub-contractor, such as a lessor of drilling rigs, no longer be able to make these assets available to BP, this could result in serious disruption to its operations. Where BP does not have operational control of a venture, BP may nonetheless still be pursued by regulators or claimants in the event of an incident.

The Rosneft investment

On 21 March 2013, BP completed the sale of its 50 per cent. interest in TNK-BP to Rosneft and the purchase of additional shares in Rosneft. BP now owns a total shareholding in Rosneft of 19.75 per cent. To the extent BP fails to maintain a good commercial relationship with Rosneft in the future, or if as a result of BP's non-controlling interest in Rosneft or otherwise BP is unable in the future to exercise significant influence over its investment in Rosneft or pursue other growth opportunities in Russia, the business and strategic objectives of BP in Russia and the ability to recognise its share of Rosneft's income, production and reserves may be adversely impacted. If further international sanctions are imposed on Rosneft or new sanctions are imposed on Russia or other Russian individuals or entities, this could have a material adverse impact on the BP Group's relationship with and investment in Rosneft, its business and strategic objectives in Russia and its financial position and results of operations.

Investment efficiency

The BP Group's organic growth is dependent on creating a portfolio of quality options and investing in the best options. Ineffective group strategy, investment selection and/or subsequent execution could lead to loss of opportunity, loss of value and higher capital expenditure.

Reserves progression

Successful execution of the BP Group's strategy depends critically on sustaining long-term reserves replacement. If upstream resources are not progressed in a timely and efficient manner due to commercial, technical, regulatory or other reasons, the BP Group will be unable to sustain long-term replacement of reserves.

Major project delivery

Successful execution of the BP Group's plan depends critically on implementing the activities to deliver major projects over the plan period. Poor delivery of or operational challenges at any major project that underpins production or production growth and/or any other major programme designed to enhance shareholder value, including maintenance turnaround programmes, could adversely affect the BP Group's financial performance and its operating cash flows.

Digital infrastructure

The reliability and security of the BP Group's digital infrastructure is critical to maintaining the availability of the BP Group's business applications, including the reliable operation of technology in the BP Group's various business operations and the collection and processing of financial and operational data, as well as the confidentiality of certain third-party information. A breach of the BP Group's digital security or failure of its digital infrastructure, due to intentional actions such as cyber-attacks, negligence or otherwise, could cause serious damage to business operations and, in some circumstances, could result in the loss of data or sensitive information, injury to people, loss of control of or damage to assets, harm to the environment, reputational damage, breaches of regulations, litigation, legal liabilities and reparation costs.

Crisis management business continuity and disaster recovery

Crisis management and contingency plans are required to respond to, and to continue or recover operations following, a disruption or an incident. If the BP Group does not respond, or is perceived not to respond, in an appropriate manner to either an external or internal crisis, the BP Group's business and operations could be severely disrupted. Inability to restore or replace critical capacity to an agreed level within an agreed timeframe would prolong the impact of any disruption and could severely affect business and operations.

People and capability

Successful recruitment of new staff, employee training, development and continuing enhancement of skills, in particular technical capabilities such as petroleum engineers and scientists, are key to implementation of the BP Group's plans. Inability to develop and retain human capacity and capability, both across the organisation and in specific operating locations, could jeopardise performance delivery.

The BP Group relies on recruiting and retaining high-quality employees to execute BP's strategic plans and to operate the BP Group's business. In addition, significant board and management focus continues to be required in responding to matters related to the Gulf of Mexico oil spill. Although BP set up the Gulf Coast Restoration Organisation to manage the BP Group's long-term response, other key management personnel will need to continue to devote substantial attention to addressing the associated consequences for the BP Group, which may negatively impact the staff's capability to address and respond to other operational matters affecting the BP Group but unrelated to the Gulf of Mexico oil spill.

Liquidity, financial capacity and financial, including credit, exposure

The BP Group seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity, and commercial credit risk is measured and controlled to determine BP Group's total credit risk. Failure to accurately forecast, manage or maintain sufficient liquidity and credit to meet these needs (including a failure to understand and respond to potential liabilities) could impact the ability of the BP Group to operate and result in a financial loss. Trade and other receivables, including overdue receivables, may not be recovered whether an impairment provision has been recognised or not. Inability to determine adequately the BP Group's credit exposure could lead to financial loss. Furthermore, a substantial and unexpected cash call or funding request could disrupt the BP Group's financial framework or overwhelm its capacity to meet the BP Group's obligations. External events could materially impact the effectiveness of the BP Group's financial framework. A credit crisis or significant economic shock affecting banks and other sectors of the economy could impact the ability of counterparties to meet their financial obligations to the BP Group. It could also affect the ability of the BP Group to raise capital to fund growth, to maintain its long-term investment programme and to meet its obligations, and may impact shareholder returns, including dividends and share buybacks, or share price. Decreases in the funded levels of the pension plans may also increase pension funding requirements. In addition, a significant operational incident could result in decreases in the BP Group's credit ratings which, together with the assessments published by analysts, the reputational

consequences of any such incident and concerns about the BP Group's costs arising from any such incident, ongoing contingencies, liquidity, financial performance and credit spreads, could increase the BP Group's financing costs and limit the BP Group's access to financing. The BP Group's ability to engage in both its trading activities and non-trading businesses could also be impacted in such circumstances due to counterparty concerns about the BP Group's financial and business risk profile and resulting collateral demands, which could be significant. In addition, BP may be unable to make a drawdown under certain of its committed borrowing facilities in the event that the BP Group is aware that there are pending or threatened legal, arbitration or administrative proceedings which, if determined adversely, might reasonably be expected to have a material adverse effect on the BP Group's ability to meet the payment obligations under any of these facilities. Credit rating downgrades could trigger a requirement for the company to review its funding arrangements with the BP pension trustees. Any extended constraints on the BP Group's ability to obtain financing and to engage in its trading activities on acceptable terms (or at all) would put pressure on the BP Group's liquidity. If such constraints occur at a time when cash flows from the BP Group's business operations are constrained, such as following a significant operational incident, the BP Group could be required to reduce planned capital expenditures and/or increase asset disposals in order to provide additional liquidity, as the BP Group did following the Gulf of Mexico oil spill.

Insurance

In the context of the limited capacity of the insurance market, many significant risks are retained by BP. The BP Group generally restricts its purchase of insurance to situations where this is required for legal or contractual reasons. This means that the BP Group could be exposed to material uninsured losses, which could have a material adverse effect on its financial condition and results of operations. In particular, these uninsured costs could arise at a time when BP is facing material costs arising out of some other event which could put pressure on BP's liquidity and cash flows. For example, BP has borne and may continue to bear the entire burden of its share of any property damage, well control, pollution clean-up and third-party liability expenses arising out of the Gulf of Mexico oil spill.

Compliance and control risks

US government settlements and debarment

On 15 November 2012, BP reached an agreement with the US government to resolve all federal criminal and securities claims arising out of the Gulf of Mexico of spill and comprising settlements with the US Department of Justice ("DoJ") and the US Securities and Exchange Commission (the "SEC"). Under the DoJ settlement, BP has agreed to retain an independent third-party auditor who will review and report to the probation officer, the DoJ, and BP regarding compliance by BP Exploration & Production's ("BPXP") with the key terms of the settlement including the completion of safety and environmental management systems audits, operational oversight enhancements, oil spill response training and drills and the implementation of best practices. The DoJ settlement also provides for the appointment of an ethics monitor and a process safety monitor. The DoJ criminal and SEC settlements impose significant compliance and remedial obligations on BP and its directors, officers and employees. Failure to comply with the terms of these settlements could result in further enforcement action by the DoJ and the SEC, expose BP to severe penalties, financial or otherwise, and subject BP to further private litigation, each of which could impact the BP Group's operations and have a material adverse effect on the BP Group's business.

As previously disclosed, in November 2012 the US Environmental Protection Agency ("EPA") temporarily suspended a number of BP entities from participating in new federal contracts, and subsequently in 2013, subjected BPXP to mandatory debarment at its Houston headquarters and issued suspensions to additional BP entities. On 13 March 2014, BP, BPXP and all other temporarily suspended BP entities entered into an administrative agreement with the EPA resolving all issues related to suspension or debarment arising from the

Gulf of Mexico oil spill, allowing BP entities to enter into new contracts or leases with the US government. Under the terms and conditions of the administrative agreement, which will apply for five years, BP has agreed to a set of safety and operations, ethics and compliance and corporate governance requirements. Failure to satisfy these requirements or otherwise comply with the terms of the administrative agreement could result in suspension or debarment of BP entities in the future. BP has a significant amount of operations in the US. Suspension or debarment from entering new federal contracts, or further suspension or debarment proceedings in the future against BP and/or its subsidiaries as a result of violations of the terms of the DoJ or SEC settlements, the administrative agreement with the EPA or otherwise, could have a material adverse impact on the BP Group's operations in the US in the future.

As a result of the SEC settlement, as of 5 February 2013 and for a period of three years thereafter, BP are no longer qualified as a 'well known seasoned issuer' ("WKSI") as defined in Rule 405 of the Securities Act of 1933, as amended (the "Securities Act"), and therefore will not be able to take advantage of the benefits available to a WKSI, including engaging in delayed or continuous offerings of securities using an automatic shelf registration statement. In addition, as of the SEC settlement date of 10 December 2012 and for a period of five years thereafter, BP are no longer able to utilise certain registration exemptions provided by the Securities Act in connection with certain securities offerings. BP may also be denied certain trading authorisations under the rules of the US Commodities Futures Trading Commission, which may prevent BP in the future from entering certain routine swap transactions for an indefinite period of time.

Regulatory

The oil industry in general is subject to regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling obligations, environmental, health and safety controls, controls over the development and decommissioning of a field (including restrictions on production) and, possibly, nationalisation, expropriation, cancellation or non-renewal of contract rights. The oil industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and operates in certain tax jurisdictions that have a degree of uncertainty relating to the interpretation of, and changes to, tax law. The BP Group remains exposed to changes in the regulatory and legislative environment, such as new laws and regulations (whether imposed by international treaty or by national or local governments in the jurisdictions in which the BP Group operates), changes in tax or royalty regimes, price controls, the imposition of trade or other sanctions, government actions to cancel or renegotiate contracts or other factors. Governments are facing greater pressure on public finances, which may increase their motivation to intervene in the fiscal and regulatory frameworks of the oil and gas industry and the BP Group remains exposed to increases in amounts payable to governments or government agencies. Such factors could reduce the BP Group's profitability from operations in certain jurisdictions, limit the BP Group's opportunities for new access, require it to divest or write-down certain assets or curtail or cease certain operations, or affect the adequacy of the BP Group's provisions for pensions, tax, environmental and legal liabilities. Potential changes to pension or financial market regulation could also impact funding requirements of the BP Group.

Due to the Gulf of Mexico oil spill and remedial provisions contained in or that may result from the DoJ and SEC settlements and other past events in the US, it is likely that there will be additional oversight and more stringent regulation of BP's oil and gas activities in the US and elsewhere, particularly relating to environmental, health and safety controls and oversight of drilling operations, as well as access to new drilling areas. BP may be subjected to a higher number of citations and/or level of fines imposed in relation to any alleged breaches of safety or environmental regulations. New regulations and legislation, the terms of BP's settlements with US government authorities and future settlements or litigation outcomes related to the Gulf of Mexico oil spill, and/or evolving practices could increase the cost of compliance, require changes to the BP Group's drilling operations, exploration, development and decommissioning plans, impact the BP Group's

ability to capitalise on its assets and limit the BP Group's access to new exploration properties or operatorships, particularly in the deep-water Gulf of Mexico. The BP Group buys, sells and trades oil and gas products in certain regulated commodity markets. Failure to respond to changes in or to comply with trading regulations could result in regulatory action and damage to the BP Group's reputation.

Ethical misconduct and non-compliance

Incidents of ethical misconduct, non-compliance with the recommendations of the ethics monitor appointed under the terms of the DoJ settlement or non-compliance with applicable laws and regulations, including anti-bribery, anti-corruption and anti-manipulation laws and trade or other sanctions, could be damaging to the BP Group's reputation and shareholder value and could subject the BP Group to litigation and regulatory action or penalties under the terms of the DoJ settlement or otherwise. Multiple events of non-compliance could call into question the integrity of the BP Group's operations. For example, in the BP Group's trading functions, there is the risk that a determined individual could operate as a 'rogue trader', acting outside BP's delegations, controls or code of conduct and in contravention of BP's values in pursuit of personal objectives that could be to the detriment of BP and its shareholders.

Liabilities and provisions

Under the Oil Pollution Act of 1990 ("OPA 90"), BPXP and BP Corporation North America are among the parties financially responsible for the clean-up of the Gulf of Mexico oil spill and for certain economic damages as provided for in OPA 90, as well as certain natural resource damages associated with the spill and certain costs determined by federal and state trustees engaged in a joint assessment of such natural resource damages.

BP and certain of its subsidiaries have also been named as defendants in numerous lawsuits in the US arising out of the Gulf of Mexico oil spill, including actions for personal injury and wrongful death, purported class actions for commercial or economic injury, actions for breach of contract, violations of statutes, property and other environmental damage, securities law claims and various other claims, and additional lawsuits or private claims arising out of the Gulf of Mexico oil spill may be brought in the future. While significant charges have been recognised in the income statement since the Gulf of Mexico oil spill occurred in 2010, the provisions recognised represent only the current best estimates of expenditures required to settle certain present obligations that can be reasonably estimated at the end of the reporting period, and there are future expenditures for which it is not possible to measure the BP Group's obligations reliably. BP's total potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the Gulf of Mexico oil spill (including as a result of any potential determination of BP's negligence or gross negligence), together with the potential cost and burdens of implementing remedies sought in the various proceedings, cannot be fully estimated at this time and are subject to significant uncertainty but they have had, and are expected to continue to have, a material adverse impact on the BP Group's business.

Reporting

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the reputation of the BP Group. As of the date of the SEC settlement, 10 December 2012, and for a period of three years thereafter, BP is unable to rely on the safe harbour provisions regarding forward-looking statements provided by the regulations issued under the Securities Act, and the Securities Exchange Act of 1934, as amended. BP's inability to rely on these safe harbour provisions may expose BP to future litigation and liabilities in connection with forward-looking statements in its public disclosures.

Treasury and trading activities

In the normal course of business, the BP Group is subject to operational risk around its treasury and trading activities. Control of these activities is highly dependent on the ability of the BP Group to process, manage and monitor a large number of complex transactions across many markets and currencies. Shortcomings or failures in systems, risk management methodology, internal control processes or people could lead to disruption of business, financial loss, regulatory intervention or damage to reputation.

Safety and operational risks

The risks inherent in the BP Group's operations include a number of hazards that, although many may have a low probability of occurrence, can have extremely serious consequences if they do occur, such as the Gulf of Mexico oil spill. The occurrence of any such risks could have a consequent material adverse impact on the BP Group's business, competitive position, cash flows, results of operations, financial position, prospects, liquidity, shareholder returns and/or implementation of BP's strategic goals.

Process safety, personal safety and environmental risks

The nature of the BP Group's operations exposes it to a wide range of significant health, safety, security and environmental risks. The scope of these risks is influenced by the geographic range, operational diversity and technical complexity of the activities of the BP Group. In addition, in many of the BP Group's major projects and operations, risk allocation and management is shared with third parties such as contractors, sub-contractors, joint arrangement partners and associates.

There are risks of technical integrity failure as well as risk of natural disasters and other adverse conditions in many of the areas in which the BP Group operates, which could lead to loss of containment of hydrocarbons and other hazardous material, as well as the risk of fires, explosions or other incidents.

In addition, inability to provide safe environments for the BP Group's workforce and the public while at the BP Group's facilities or premises could lead to injuries or loss of life and could result in regulatory action, legal liability and damage to the BP Group's reputation.

The BP Group's operations are often conducted in hazardous, remote or environmentally sensitive locations in which the consequences of a spill, explosion, fire or other incident could be greater than in other locations. These operations are subject to various environmental and safety laws, regulations and permits and the consequences of failure to comply with these requirements can include remediation obligations, penalties, loss of operating permits and other sanctions. Accordingly, inherent in the BP Group's operations is the risk that if it fails to abide by environmental and safety and protection standards, such failure could lead to damage to the environment and could result in regulatory action, legal liability, material costs, damage to the BP Group's reputation or denial of the BP Group's licence to operate.

BP's group-wide operating management system ("OMS") addresses health, safety, security, environmental and operations risks, and aims to provide a consistent framework within which the BP Group can analyse the performance of its activities and identify and remediate shortfalls. There can be no assurance that OMS will adequately identify all process safety, personal safety and environmental risk or provide the correct mitigations, or that all operations will be in conformance with OMS at all times. Under the terms of the DoJ settlement, a process safety monitor will review, evaluate, and provide recommendations concerning BPXP's process safety and risk management procedures for deepwater drilling in the Gulf of Mexico. Incidents of non-compliance with the recommendations of the process safety monitor could be damaging to the BP Group's reputation and shareholder value and could subject it to further regulatory action or penalties under the terms of the DoJ settlement. Multiple events of non-compliance could call into question the integrity of the BP Group's operations.

Security

Security threats require continuous oversight and control. Acts of terrorism, piracy, sabotage, cyber-attacks and similar activities directed against the BP Group's operations and facilities, pipelines, transportation or computer systems could cause harm to people and could severely disrupt business and operations. BP's business activities could also be severely disrupted by, among other things, conflict, civil strife or political unrest in areas where BP operates.

Product quality

Supplying customers with on-specification products is critical to maintaining the BP Group's licence to operate and its reputation in the marketplace. Failure to meet product quality standards throughout the value chain could lead to harm to people and the environment and loss of customers.

Drilling and production

Exploration and production require high levels of investment and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of an oil or natural gas field. The BP Group's exploration and production activities are often conducted in extremely challenging environments, which heighten the risks of technical integrity failure and natural disasters discussed above. The cost of drilling, completing or operating wells is often uncertain. The BP Group may be required to curtail, delay or cancel drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements. In addition, exploration expenditure may not yield adequate returns, for example in the case of unproductive wells or discoveries that prove uneconomic to develop. The Gulf of Mexico oil spill illustrates the risks BP faces in drilling and production activities.

Transportation

All modes of transportation of hydrocarbons involve inherent risks. An explosion or fire or loss of containment of hydrocarbons or other hazardous material could occur during transportation by road, rail, sea or pipeline. This is a significant risk due to the potential impact of a release on people and the environment and given the high volumes potentially involved.

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 wide 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:

Notes subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, 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.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

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

Risks related to Notes generally

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

Modification, waivers and substitution

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

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of the Successor in Business (as defined in the Terms and Conditions of the Notes) of the Guarantor in place of the Guarantor as guarantor of the Notes, in the circumstances described in Condition 10 of the Terms and Conditions of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), EU Member States are required to provide to the tax authorities of other EU Member States details of payments of interest (or similar income) paid by a person established within its jurisdiction to (or for the benefit of) an individual resident in another EU Member State or certain limited types of entities established in another EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other territories). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg government announced its intention to elect out of the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The Council of the European Union has adopted a Directive (the "Amending Directive") which will, when implemented, amend and broaden the scope of the requirements of the EU Savings Directive described above. The Amending Directive will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be

reported or paid subject to withholding. For example, payments made to (or for the benefit of) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the EU Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the EU Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

If a payment to (or for the benefit of) an individual is made or collected through an EU Member State which has opted for a withholding system under the EU Savings Directive and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, none of the Issuer, the Guarantor, any Paying Agent or any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. Except as otherwise provided in the second paragraph of Condition 6(e) of the Terms and Conditions of the Notes, the Issuer is required to maintain a Paying Agent in an EU Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing, or introduced in order to conform to such Directive, as approved by the Trustee, which may mitigate an element of this risk if the Noteholder is able to arrange for payment through such a Paying Agent. However, investors should choose their custodians and intermediaries with care, and provide each custodian and intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the EU Savings Directive, as amended.

Investors who are in any doubt as to their position should consult their professional advisers.

Foreign Account Tax Compliance Act ("FATCA")

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA (as defined in "Taxation – Foreign Account Tax Compliance Act") will affect the amount of any payment received by the clearing systems (see "Taxation – Foreign Account Tax Compliance Act"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries.

Change of law

The Terms and Conditions of the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by English law in effect as at the date of this Prospectus. 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 Prospectus.

Guarantee

The Guarantee is solely an obligation of the Guarantor. The Guarantor is primarily a holding company and its ability to make payments to holders of the Notes pursuant to the Guarantee in respect of the Notes depends largely upon the receipt of dividends, distributions, interest or advances from its wholly- or partially-owned subsidiaries and associated companies. The ability of the subsidiaries and associated companies of the Guarantor to pay dividends, distributions, interest or advances may be subject to applicable laws.

Notes where denominations involve integral multiples: definitive Notes

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 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 definitive Notes 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.

Risks related to the market generally

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

The secondary market generally

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.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus) whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

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

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to 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 or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (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). 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). Certain information with respect to the credit rating agencies and ratings is set out in "Form of Final Terms" below and will be disclosed in the Final Terms.

Risks related to Notes denominated in Renminbi

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi (the "Renminbi Notes").

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover the entire PRC and to make RMB trade and other current account item settlement available worldwide.

On 7 April 2011, the State Administration of Foreign Exchange ("SAFE") promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (the "SAFE Circular"), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make contributions to an onshore enterprise or make payment for the transfer of equity interests of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the prior written consent of the relevant Ministry of Commerce (the "MOFCOM") to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity (including a financial institution) in RMB shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime. The Renminbi trade settlements under the pilot scheme have become one of the most significant sources of Renminbi funding in Hong Kong.

On 13 October 2011, the People's Bank of China (the "PBOC"), the central bank of the PRC, promulgated the Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment (the "PBOC RMB FDI Measures") issued as part of the implementation of the PBOC's detailed foreign direct investment ("RMB FDI") accounts administration system. The system covers almost all aspects in relation to RMB FDI and sets out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC RMB FDI Measures. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for the RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information after the completion of a RMB FDI transactions, and (ii) make post-event registration or filing with the PBOC of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger or acquisition.

On 5 July 2013, the PBOC promulgated the Notice on Simplifying the Procedures of Cross-border Renminbi Business and Improving Relevant Policies (the "PBOC Notice"), which simplifies the operating procedures on current account cross-border Renminbi settlement and further publishes policies with respect to issuance of offshore Renminbi bonds by onshore non-financial institutions. The PBOC Notice intends to improve the efficiency of cross-border Renminbi settlement and facilitate the use of cross-border Renminbi settlement by banks and enterprises.

On 3 December 2013, MOFCOM promulgated the "Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment" (the "MOFCOM Circular"), which became effective on 1 January 2014, to further facilitate RMB FDI by simplifying and streamlining the applicable regulatory framework. The MOFCOM Circular replaced the "Notice on Issues in relation to Cross-border Renminbi Foreign Direct Investment" promulgated by MOFCOM on 12 October 2011 (the "2011 MOFCOM Notice"). Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying "Renminbi Foreign Direct Investment" and the amount of capital contribution is required for each RMB FDI. Compared with the 2011 MOFCOM Notice, the MOFCOM Circular no longer contains the requirements for central level MOFCOM approvals for investments of RMB300 million or above, or in certain industries, such as financial guarantee, financial leasing, micro-credit, auction, foreign invested investment companies, venture capital and equity investment vehicles, cement, iron and steel, electrolyse aluminium, ship building and other industries under the state macro-regulation. Unlike the 2011 MOFCOM Notice, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also

clearly prohibits the RMB FDI funds from being used for any investment in securities and financial derivatives (except for investment in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

As the SAFE Circular, the PBOC RMB FDI Measures, the PBOC Notice and the MOFCOM Circular are relatively new, they will be subject to interpretation and application by the relevant authorities in the PRC.

Based on the PRC regulations described above, remittances of Renminbi into or outside the PRC may in certain cases require approvals by competent authorities or relevant banks. There is no assurance that the Issuer will obtain the approvals required for the remittance of Renminbi into or outside the PRC. In relation to the instances where the PRC government has gradually liberalised control over cross-border remittance of renminbi, there is no assurance that the PRC government will continue such liberalisation in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

In the event that funds cannot be repatriated outside the PRC in Renminbi, this may limit the sources of Renminbi available to the Issuer to finance its obligations under the Renminbi Notes.

Holders of beneficial interests in Renminbi Notes may be required to provide certifications and other information (including Renminbi account information) in order to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

For further details in respect of remittance of Renminbi into and outside the PRC, see "Remittance of Renminbi into and outside the PRC".

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the settlement agreement on the Clearing of RMB Business (the "Settlement Agreement") between the PBOC and the Bank of China (Hong Kong) Limited (the "RMB Clearing Bank") to expand further the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As at the end of December 2013, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB860 billion. In addition, although participating banks are no longer required by the Hong Kong Monetary Authority to apply a minimum Renminbi liquidity ratio of 25 per cent., they are still required to account for Renminbi together with other currencies on the same basis as the statutory liquidity ratio. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for Hong Kong residents of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange

transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service the Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks and the Issuer or the Guarantor, as the case may be, may make payments of interest and principal in U.S. dollars in certain circumstances

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In addition, although the Issuer's primary obligation is to make all payments of interest and principal or other amounts with respect to the Renminbi Notes in Renminbi, in certain circumstances, and if so specified, the terms of the Notes allow the Issuer to delay any such payment and/or make payment in U.S. dollars or another specified currency at the prevailing spot rate of exchange, and/or cancel or redeem such Notes, all as provided for in more detail in the Notes (see Condition 6(l)). As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a Renminbi Noteholder's investment in U.S. dollars or other applicable foreign currency terms will decline.

Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely (i) when Renminbi Notes are represented by a Global Note or a Global Certificate and if held in CDP, by transfer to a Renminbi bank account maintained in Singapore in accordance with prevailing CDP rules and procedures, and if held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "CMU Service"), by transfer to a Renminbi bank account maintained in Hong Kong, in accordance with prevailing CMU rules and procedures, or (ii) when Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Singapore or Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

Terms and Conditions of the Notes

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. Words and expressions defined in the Trust Deed or the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated, provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and in the event of inconsistency between the Agency Agreement or the Trust Deed and the relevant Final Terms, the relevant Final Terms will prevail. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

*In these Conditions any provision marked with * shall only apply to Notes denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange, and in the case of Notes listed on the SIX Swiss Exchange, references to the Final Terms contained in these Conditions shall be construed as references to the Pricing Supplement.*

The Notes are constituted by a Trust Deed (amended and restated) dated 13 August 2014 (as further amended and/or supplemented and/or restated as at the date of issue of the Notes (the "Issue Date") (the "Trust Deed") between B.P. Capital Markets p.l.c. (the "Issuer"), BP p.l.c. (the "Guarantor") and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Agency Agreement (amended and restated) dated 14 August 2013 (as further amended and/or supplemented and/or restated as at the Issue Date, the "Agency Agreement") has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent (except as otherwise described below) and transfer agent, Citi Trust Company Canada as Canadian authentication agent, Citicorp Investment Bank (Singapore) Limited as issuing and paying agent for Notes to be cleared through the computerised system (the "CDP System") operated by The Central Depository (Pte) Limited ("CDP"), Citicorp International Limited as lodging agent and issuing and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "CMU Service") and as registrar for Notes to be held in the CMU Service and Notes to be cleared through the CDP System, Citigroup Global Markets Deutschland AG as registrar (except as otherwise described above) and the other agents named in it. The issuing and paying agent, the transfer agent, the paying agents, the Canadian authentication agent, the CDP issuing and paying agent, the CMU lodging agent, the CMU issuing and paying agent, the registrars and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "Issuing and Paying Agent", the "Transfer Agents" (which expression shall include the Registrar), the "Paying Agents" (which expression shall include the Issuing and Paying Agent), the "Canadian Authentication Agent", the "CDP Issuing and Paying Agent", the "CMU Lodging Agent", the "CMU Issuing and Paying Agent", the "Registrar" and the "Calculation Agent(s)". For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, (i) with respect to a Series of Notes to be held in the CDP, be deemed to be a reference to Citicorp Investment Bank (Singapore) Limited ("the CDP Issuing and Paying Agent") (ii) with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to Citicorp

International Limited (the "CMU Lodging Agent" and/or the "CMU Issuing and Paying Agent" as applicable) and (iii) for any other Notes, be deemed to be reference to Citibank, N.A., London Branch or its successors under the Agency Agreement. Copies of the Trust Deed, the Agency Agreement and the Final Terms, are available for inspection, free of charge, during usual business hours at the registered office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the Paying Agents and the Transfer Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service.

The Noteholders, the holders (the "Couponholders") of the interest coupons (the "Coupons") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1 Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes"), in each case in the Specified Currency and the Specified Denomination(s) specified in the Final Terms.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest Specified Denomination of Exchangeable Bearer Notes.

The Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery outside the United States. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Certificate, Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in the Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate Principal Amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

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

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge*

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

(f) *Closed Period*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Guarantee and Status

(a) *Guarantee*

Pursuant to the Trust Deed, the Guarantor has unconditionally and irrevocably guaranteed (the "Guarantee") the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes issued by it, and the relevant Coupons.

(b) *Status of Notes and Guarantee*

The Notes and the Coupons constitute unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer and the Guarantor, respectively, present and future.

4 Interest and other Calculations

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (B) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (C) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

In the case of definitive Notes, if a Fixed Coupon Amount or a Broken Amount is specified in the Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Final Terms.

Except in the case of definitive Notes where a Fixed Coupon Amount or Broken Amount, is specified in the relevant Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount specified in the Final Terms,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the Final Terms as Specified Interest Payment Dates, or if no Specified Interest Payment Date(s) is/are shown in the Final Terms, "Interest Payment Date" shall mean each date which falls the number of months or other period shown in the Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the Final Terms, and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which determination is specified in the Final Terms.

(A) ISDA Determination

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified in the Final Terms;

(y) the Designated Maturity is a period specified in the Final Terms; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent" where used in the fifth line only of this sub-paragraph (A), "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions and the term "Nominal Amount" as used in the ISDA Definitions shall mean "Principal Amount" as used herein.

(B) Screen Rate/Reference Bank Determination for Floating Rate Notes where the Reference Rate is not being specified as being SIBOR or SOR

If Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be:

(i) the offered quotation; or

(ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) or 10.00 a.m. Toronto time in the case of CAD-BA-CDOR, on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

(C) if the Relevant Screen Page is not available or if, sub-paragraph (B)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (B)(ii)

above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or (ii) if the Reference Rate is CAD-BA-CDOR, the principal Toronto office of each Reference Bank to provide the Calculation Agent with its bid rate for Canadian Dollar bankers acceptances for a period equal to the relevant Interest Period for settlement on that Interest Determination Date in an amount representative for a single transaction in the market at that time (a "Representative Amount") at approximately 10.00 a.m. (Toronto time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations or bid rates, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations or bid rates as determined by the Calculation Agent; and

(D) if paragraph (C) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be (i) the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be or, (ii) if the Reference Rate is CAD-BA-CDOR, the arithmetic mean of the bid rates for Canadian dollar bankers acceptances communicated to (and at the request of) the Calculation Agent by major banks in Toronto selected by the Calculation Agent for a period equal to the applicable Interest Period for settlement on that Interest Determination Date and in a Representative Amount which such banks accepted as of 10.00 am Toronto time on the relevant Interest Determination Date provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though

substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(E) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR

(x) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a SIBOR Note) or SOR (in which case such Note will be a Swap Rate Note) bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.

(y) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 4(b)(iii)(E) will be determined by the Calculation Agent on the basis of the following provisions:

(I) in the case of Floating Rate Notes which are SIBOR Notes:

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR/USD" (or such other Relevant Screen Page);

(bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption "SINGAPORE DOLLAR INTER-BANK OFFERED RATES — 11:00 A.M." and the row headed "SIBOR SGD" (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period;

(cc) if no such rate appears on the Reuters Screen SIBP Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP Page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks

in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;

(dd) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with sub-paragraph (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and

(ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or, if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date; and

(II) in the case of Floating Rate Notes which are Swap Rate Notes:

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of

leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);

(bb) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$Average\ Swap\ Rate = \frac{365}{360} \times SIBOR + \frac{(Premium \times 36500)}{(T \times Spot\ Rate)} + \frac{(SIBOR \times Premium)}{(Spot\ Rate)} \times \frac{365}{360}$$

In the case of Discount:

$$Average\ Swap\ Rate = \frac{365}{360} \times SIBOR - \frac{(Discount \times 36500)}{(T \times Spot\ Rate)} - \frac{(SIBOR \times Discount)}{(Spot\ Rate)} \times \frac{365}{360}$$

Where:

SIBOR	=	the rate which appears on the Reuters Screen SIBOR Page under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) 11 A.M." and the row headed "SIBOR USD" (or such other page as may replace Reuters Screen SIBOR Page for the purpose of displaying Singapore Inter-bank U.S. dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Dates for a period equal to the duration of the Interest Period concerned;
Spot Rate	=	the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks and which appear under the caption "ASSOCIATION OF BANKS IN

SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" and the column headed "Spot" on the Reuters Screen ABSIRFIX06 Page (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount	=	the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" on the Reuters Screen ABSIRFIX06 Page (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and
T	=	the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Calculation Agent);

(cc) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under subparagraph (bb) above is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates

for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$Swap\ Rate = \frac{365}{360} \times SIBOR + \frac{(Premium \times 36500)}{(T \times Spot\ Rate)} + \frac{(SIBOR \times Premium)}{(Spot\ Rate)} \times \frac{365}{360}$$

In the case of Discount:

$$Swap\ Rate = \frac{365}{360} \times SIBOR - \frac{(Discount \times 36500)}{(T \times Spot\ Rate)} - \frac{(SIBOR \times Discount)}{(Spot\ Rate)} \times \frac{365}{360}$$

Where:

SIBOR	=	the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Spot Rate		the rate at which that Reference Bank sells U.S. dollars spot in exchange for Singapore dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Premium	=	the premium that would have been paid by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;

Discount	=	the discount that would have been received by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and
T	=	the number of days in the Interest Period concerned; and

(dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, in an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Calculation Agent), or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(z) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(F) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual 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 hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), 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 Accrual 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 Accrual Period provided however that if

there is no rate available for the 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, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(c) Interest on Zero Coupon Notes

Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (as defined in Condition 5(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(b)).

(d) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(e) Margin, Maximum/Minimum Rates of Interest, Redemption Amounts, Rate Multipliers and Rounding

(i) If any Margin or Rate Multiplier is specified in the Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest (in the case of (x)) or the Rates of Interest for the specified Interest Accrual Periods (in the case of (y)) calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying such Rate Multiplier, subject always to the next paragraph;

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the Final Terms, then any Rates of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be;

(iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred- thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro;

(f) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding Principal Amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the Final Terms in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula).

Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(g) Determination and Publication of Rates of Interest, Interest Amounts and Final Redemption Amounts

The Calculation Agent shall as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (x) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (y) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

(i) in the case of a Specified Currency other than euro, Renminbi and Singapore dollars, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency (which, if the Specified Currency is Canadian dollars, shall be Toronto, except where the Reference Rate is LIBOR in which event the principal financial centre shall be deemed to be Toronto and London); and/or

(ii) in the case of euro a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System is open (a "TARGET2 Business Day"); and/or

(iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in the case of Singapore dollars, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore; and/or

(v) in the case of a Specified Currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centres or, if no currency is indicated, generally in each of the Business Centres,

provided that, for the avoidance of doubt, notwithstanding the above, if one or more Business Centres is specified in the Final Terms, "Business Day" shall mean a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant Specified Currency in each of such Business Centres whether or not the foregoing provisions of this definition would give the same result.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting an Interest Period, the "Calculation Period"):

(i) in respect of Floating Rate Notes or Zero Coupon Notes:

(a) if "Actual/360" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360;

(b) if "Actual/365 (Fixed)" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365;

(c) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (x) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (y) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(d) if "Actual/365 (Sterling)" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(e) if "30/360", "360/360" or "Bond Basis" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "30E/360" or "Eurobond Basis" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

(g) if "30E/360 (ISDA)" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D_2 will be 30.

(ii) in respect of Fixed Rate Notes:

(a) if "Actual/Actual ICMA" is specified in the Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "30/360" is specified in the Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months);

(c) if "Actual/365 (Fixed)" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365; and

(d) if "Actual/Actual Canadian Compound Method" is specified in the relevant Final Terms, whenever it is necessary to compute any amount of accrued interest in respect of the Notes for a period of less than one full year, other than in respect of any specified Fixed Coupon Amount or Broken Amount, such interest will be calculated on the basis of the actual number of days in the Calculation Period and a year of 365 days.

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

"Effective Date" means, with respect to any Floating Rate to be determined on an Interest Determination Date, unless otherwise specified in the Final Terms, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"EURIBOR" means the euro-zone inter-bank offered rate.

"euro-zone" means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended (the "Treaty").

"ISDA Definitions" means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be provided that if the Specified Currency is Renminbi, the Fixed Coupon Amount or Broken Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards) or HK$0.01 (HK$0.005 being rounded upwards), respectively.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified in the Final Terms.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the Final Terms.

"Issue Date" means the date of issue of the Notes.

"LIBOR" means the London inter-bank offered rate.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the Final Terms.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of CAD-BA-CDOR, the principal Toronto office of four major Canadian Schedule I chartered banks, in the case of a determination of SIBOR or SOR, the principal Singapore office of the three major banks in the Singapore inter-bank market, in each case selected by the Calculation Agent or as may be specified in the Final Terms.

"Reference Rate" means the rate specified as such in the Final Terms.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the relevant Financial Centre specified hereon or, if none is specified, the local time in the relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the relevant Financial Centre or, if no such customary local time exists, 11.00 a.m. in the relevant Financial Centre and, for the purpose of this definition "local time" means, with respect to the Euro-zone as a relevant Financial Centre, Central European Time.

(i) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount or to comply with any other requirement the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(j) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

5 Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 5(d) or 5(e), each Note shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount (which, unless otherwise provided in the Final Terms, is its Principal Amount). In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Maturity Date falls on a day which is not a Business Day, the Maturity Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Maturity Date shall be brought forward to the immediately preceding Business Day.

(b) Early Redemption

(i) Zero Coupon Notes

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note prior to the Maturity Date, the Early Redemption Amount in respect of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the Final Terms.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Final Terms.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c). Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the Final Terms.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) Redemption for Taxation Reasons

If, as a result of any amendment to or change in the laws or regulations of the United Kingdom or of any political subdivision thereof or any authority therein or thereof having power to tax or any change in the official or generally accepted interpretation or application of such laws or regulations which becomes effective on or after the date of the Trust Deed, the Issuer or the Guarantor has or will become obliged to pay any additional amounts as described in Condition 7 (and such amendment or change has been evidenced by the delivery by the Issuer or the Guarantor, as the case may be, to the Trustee (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two directors of the Issuer or one director of the Guarantor, as the case may be, on behalf of the Issuer or the Guarantor, as the case may be, stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and

stating that such requirement cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised standing to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective)), the Issuer may (having given not less than 30 nor more than 90 days' notice to the Trustee and to the holders in accordance with Condition 15) redeem all, but not some only, of the Notes (other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 5(d) prior to any notice being given under this Condition 5(c)) at their Early Redemption Amount, together with accrued interest to the date fixed for such redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be required to pay such additional amounts were a payment in respect of the Notes then due.

(d) Redemption at the Option of the Issuer (Issuer Call) and Exercise of Issuer's Options

If Issuer Call is specified in the Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' (or such other notice period as may be specified in the Final Terms) irrevocable notice to the Noteholders, redeem, or exercise any Issuer's option in relation to all or, if so provided, some of the Notes on any Optional Redemption Date (other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 5(c), prior to any notice being given under this Condition 5(d)). Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption.

Any such redemption or exercise of the Issuer's option shall just relate to Notes of a Principal Amount at least equal to the Minimum Redemption Amount specified in the Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or in accordance with the rules and procedures of such other relevant clearing system in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

(e) Redemption at the Option of Noteholders (Investor Put) and Exercise of Noteholders' Options

If Investor Put is specified in the Final Terms, the Issuer shall, at the option of the holder of such Note, redeem such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the Final Terms), on the Optional

Redemption Date(s) so provided at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out in the Final Terms the holder must deposit (in the case of Bearer Notes) such Note (together with all Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer, except that such Note or Certificate will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the due date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied.

(f) Purchases

The Issuer, the Guarantor and any of their respective subsidiaries may, to the extent permitted by applicable law, at any time purchase Notes (provided that all Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(g) Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective subsidiaries shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6 Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 6(f)(v)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a Bank and, in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this paragraph, "Bank" means a bank in the principal financial centre for such currency (and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or, in the case of euro, in a city in which banks have access to the TARGET 2 System.

(b) *Registered Notes*

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in subparagraph (ii) below.

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made:

(I) in the case of a currency other than Renminbi in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(II) in the case of a Renminbi Note, shall be made by transfer to the registered account of the Noteholder.

In this Condition 6(b), "registered account" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the Record Date.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments Subject to Fiscal Laws*

Save as provided in Condition 7, payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Guarantor agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Issuing and Paying Agent, the Paying Agents, the Canadian Authentication Agent, the CDP Issuing and Paying Agent, the CMU Lodging Agent, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Canadian Authentication Agent, the CDP Issuing and Paying Agent, the CMU Lodging Agent, the Registrar,

Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Canadian Authentication Agent, the CDP Issuing and Paying Agent, the CMU Lodging Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to the Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Canadian Authentication Agent and a Paying Agent able to make payments to CDS in accordance with CDS's procedures in relation to Notes denominated in Canadian dollars and settled and cleared through CDS, (v) a CDP Issuing and Paying Agent in relation to Notes cleared through CDP, (vi) a CMU Lodging Agent in relation to Notes accepted for clearance through the CMU Service, (vii) one or more Calculation Agent(s) where the Conditions so require, (viii) so long as the Notes are listed on any stock exchange, a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority), and (ix) except as provided otherwise in the following paragraph, a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing, or introduced in order to conform to, such Directive, in any of cases (i)-(ix), as approved by the Trustee.

In addition, the Issuer and the Guarantor shall appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in paragraph (c) above. In respect of any Notes denominated in Swiss Francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and will at no time maintain a Paying Agent having a specified office outside Switzerland. In addition, all references in these Terms and Conditions to the "Issuing and Paying Agent" shall, so far as the context permits, be construed as references to the "Principal Swiss Paying Agent" and the "Swiss Paying Agents" respectively.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

(f) Unmatured Coupons and Unexchanged Talons

(i) Unless the Notes provide otherwise, the Coupons related thereto are to become void upon the due date for redemption of those Notes. Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note that provides that the unmatured Coupons related thereto are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, a Talon forming part of such Coupon sheet (where applicable to the relevant Series of Notes) may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(h) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph and Condition 6(l) below, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" in the Final Terms and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) on which banks are open for business and carrying out transactions in euro in the jurisdiction in which the euro account specified by the payee is located and a day on which the TARGET2 System is open; or

(iii) (in the case of a payment in Renminbi cleared through CDP) a day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) on which CDP and commercial banks are open for business in Singapore, London, Beijing and Hong Kong; or

(iv) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong,

provided that, for the avoidance of doubt, notwithstanding the above, if one or more Financial Centres is specified in the Final Terms, "business day" in this paragraph shall mean a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation in each of such Financial Centres whether or not the foregoing provisions of this definition would give the same result.

(i) Definition of the euro

Reference in these Conditions to the euro are to the currency which was introduced at the start of the third stage of European economic and monetary union pursuant to Article 109(4) of the Treaty.

*(j) Transfer Restriction**

Payments on the Notes will be made irrespective of any present or future transfer restrictions and regardless of any bilateral or multilateral payment or clearing agreement which may be applicable at any time to such payment.

*(k) Discharge of the Issuer**

The receipt by the Principal Swiss Paying Agent, of the due and punctual payment of the funds in Swiss francs in Zurich shall release the Issuer from its obligation under the Notes and Coupons for the payment of principal and interest due on the respective payment dates to the extent of such payments and except to the extent that there is default in the subsequent payment thereof to the Noteholders or Couponholders (as the case may be).

Except to the extent required by law, payments of principal and interest in respect of the Notes shall be made in freely disposable Swiss francs without collection costs and whatever the circumstances may be, irrespective of the nationality, domicile or residence of the holder of the Notes and without requiring any certification, affidavit or the fulfilment of any other formality.

(l) Inconvertibility, Non-transferability or Illiquidity

In respect of a Note the Specified Currency of which is Renminbi, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or the Guarantor, as the case may be, is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of Notes when due in Renminbi in Hong Kong, the Issuer or the Guarantor, as the case may be, on giving not less than five nor more than 30 days irrevocable notice to the Noteholders prior to the due date for payment, shall be entitled to satisfy their respective obligations in respect of such payment by making such payment in US dollars on the basis of the Spot Rate on the second FX Business Day prior to such payment.

Any payment made under such circumstances in US dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

"FX Business Day" shall mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in US dollars in Hong Kong and New York.

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

"Illiquidity" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer or the Guarantor, as the case may be, cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes.

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor, as the case may be, to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective after the Issue Date of the first tranche of Notes and it is impossible for the Issuer or the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation).

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor, as the case may be, to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective after the Issue Date of the first tranche of Notes and it is impossible for the Issuer or the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation).

"Spot Rate" means the spot US dollar/Renminbi exchange rate for the purchase of US dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the CMU Issuing and Paying Agent in good faith and in a commercially reasonable manner at or around 11.00 a.m. (Hong Kong time) on the date of determination, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the CMU Issuing and Paying Agent in good faith and in a commercially reasonable manner will determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the date of determination as the most recently available US dollar/Renminbi official fixing rate for settlement in two FX Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

The CMU Issuing and Paying Agent will not be responsible or liable to the Issuer, the Guarantor or any holder of the Notes for any determination of any Spot Rate determined in accordance with this provision in the absence of its own gross negligence, bad faith or wilful misconduct.

7 Taxation

All payments of principal and interest in respect of the Notes and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts to the Noteholder or Couponholder as shall result in receipt by that Noteholder or Couponholder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon or any payment under the Guarantee:

(a) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or

(b) in circumstances where such a withholding or deduction would not be required if the holder, or any person acting on the holder's behalf, had satisfied any statutory requirements or obtained and/or

presented any form or certificate or had made a declaration of non-residence or similar claim for exemption upon the presentation or making of which the holder would have been able to avoid such withholding or deduction; or

(c) where the Note or Coupon is presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(e) in respect of any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge; or

(f) in respect of any tax, assessment or other governmental charge which is payable other than by withholding or deduction from payments of principal of or interest on such Note or Coupon or under the Guarantee; or

(g) in respect of any tax, assessment or other governmental charge which is required to be withheld or deducted by any Paying Agent from payments of principal of or interest on any Notes or Coupons, if such payment can be made without such withholding or deduction by at least one other Paying Agent; or

(h) in respect of any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as the actual or constructive owner of 10 per cent., or more of the total combined voting power of all classes of stock of the Issuer entitled to vote; or

(i) in respect of any tax, assessment, or other governmental charge imposed on a holder by reason of its past or present status as a bank that acquired any Notes in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; or

(j) in respect of any combination of items (a), (b), (c), (d), (e), (f), (g), (h) and (i) above,

nor shall additional amounts be paid with respect to a payment of principal of or interest on any Note or Coupon or under the Guarantee to a holder that is not the beneficial owner of such Note or Coupon or of any of the rights under the Guarantee to the extent that the beneficial owner thereof would not have been entitled to the payment of such additional amounts had such beneficial owner been the holder of such Note or Coupon or the recipient of such payment under the Guarantee.

As used in these Conditions, "Relevant Date" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to

include any additional amounts that may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9 Events of Default

Provided that at the time of such notice as hereinafter referred to, such event or (as the case may be) all such events shall not have been waived or remedied (if capable of remedy) to the satisfaction of the Trustee, the Trustee at its absolute discretion may and, if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (in any case provided that the Trustee has been indemnified to its satisfaction), give notice to the Issuer and the Guarantor declaring the Notes to be, and they shall accordingly immediately become, immediately repayable at their Final Redemption Amount, together with accrued interest as provided in the Trust Deed, if any of the following events (each an "Event of Default") shall occur and is continuing and, except in the case of (a) below, the Trustee shall have certified to the Issuer and the Guarantor that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders:

(a) default is made for more than 30 days in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them after the same ought to be made or paid, as the case may be; or

(b) there is failure in the performance of any other obligation under the Notes or the Trust Deed:

  (i) which in the opinion of the Trustee is incapable of remedy; or

  (ii) which, being in the opinion of the Trustee capable of remedy, continues for more than 90 days after written notification requiring such failure to be remedied shall have been given to the Issuer and the Guarantor by the Trustee; or

(c) an order is made for the winding up of the Issuer or the Guarantor by a court of competent jurisdiction in its country of incorporation or an administration or administrative order is made in relation to the Issuer or the Guarantor and such order is not discharged or stayed within a period of 90 days, or an effective resolution is passed for its winding up (except in each case for the purposes of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee); or

(d) an administrative or other receiver or an administrator is appointed (and not discharged within 90 days) of the whole or substantially the whole of the undertaking or assets of the Guarantor and the appointment is not being disputed in good faith; or

(e) the Issuer or the Guarantor ceases to carry on substantially the whole of its business (except for the purposes of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee) or the Issuer or the Guarantor stops payment generally or is unable to, or admits inability to, pay generally its debts as they fall due; or

(f) the Issuer or the Guarantor is adjudicated bankrupt or insolvent by a court of competent jurisdiction in its country or state of incorporation; or

(g) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

10 Meetings of Noteholders, Modifications, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or certain provisions of the Trust Deed (certain provisions of which may not be materially altered). Such a meeting may be convened by Noteholders holding not less than 10 per cent. in Principal Amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in the Principal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Principal Amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is shown in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Notes, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (ix) to modify or cancel the Guarantee in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds or at any adjourned meeting not less than one third in Principal Amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes, which resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by or on behalf of one or more of such holders, shall be as valid, effective and binding as an Extraordinary Resolution duly passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the Trust Deed.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the Final Terms in relation to such Series.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed, the Notes or the Coupons that is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, to comply with a mandatory provision of the laws of England (or the law of the jurisdiction in which the Issuer is incorporated), and (ii) any other modification (except as mentioned

in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) Substitution

The Trustee may agree, without the consent of the Noteholders, to the substitution of the Successor in Business (as defined below) of the Guarantor in place of the Guarantor as the guarantor of the Notes, Certificates and Coupons, and to the substitution of the Guarantor or of its Successor in Business or any subsidiary of the Guarantor or of its Successor in Business as the principal debtor in respect of the Notes, Certificates or Coupons in each case subject to the relevant provisions of the Trust Deed, to such reasonable requirements as the Trustee may direct in the interests of the Noteholders and, except in the case of the substitution of the Guarantor or its Successor in Business as the principal debtor, to the Notes, Certificates and Coupons being unconditionally and irrevocably guaranteed by the Guarantor or its Successor in Business. In considering any substitution of the Guarantor or its Successor in Business as principal debtor in place of the Issuer, the Trustee shall regard the Issuer as having no assets.

In connection with any proposed substitution as aforesaid, the Trustee shall not have regard to the consequences of substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

The term "Successor in Business" means, in relation to the Guarantor, any company which, as a result of any amalgamation, merger or reconstruction the terms of which have previously been approved in writing by the Trustee:

(i) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Guarantor immediately prior thereto; and

(ii) carries on, as successor to the Guarantor, the whole or substantially the whole of the business carried on by the Guarantor immediately prior thereto.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

11 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith

and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

13 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by holders of at least one-fifth in principal amount of the Notes outstanding and (b) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entry related to the Issuer without accounting for any profits.

15 Notices

Notices to the holders of Registered Notes shall be mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times* or if any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper) or as otherwise required by any exchange on which the Notes are listed.

So long as the Notes are listed on the SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so permit, notices in respect of the Notes will be validly given through the Principal Swiss Paying Agent by means of publication on the internet website of the SIX Swiss Exchange (*www.six-swiss-*

exchange.com/news/official_notices/notices_en.html) under the section headed "Official Notices". In addition, the Principal Swiss Paying Agent may also publish any such notices by other means in accordance with the rules of the SIX Swiss Exchange.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16 Governing Law, Jurisdiction and Service of Process

(a) Governing Law

The Trust Deed (including the Guarantee), the Notes, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection thereto, are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or any Notes, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection thereto) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Notes, Coupons or Talons ("Proceedings") (including any Proceedings relating to any non-contractual obligations arising out of or in connection thereto) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in one or more jurisdictions or preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process

The Issuer agrees to the additional jurisdiction of the Courts of the Canton of Zurich, the place of jurisdiction being Zurich, with the right of appeal to the Swiss Federal Court of Justice in Lausanne where the law permits. In connection with the Notes, the Issuer elects legal and special domicile at UBS AG, Bahnhofstrasse 45, Ch-8001 Zurich, Switzerland and agrees that, for the purposes of any proceedings brought in Switzerland, holders of all or some of the Notes shall have the option to be collectively represented (in accordance with all applicable laws and customary practice in Switzerland). The holders of all Notes (whether or not collectively represented) shall have equal status irrespective of their domicile.*

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Use of Proceeds

The net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes.

Remittance of Renminbi into and outside the PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods, payments for services, payments of earnings and other frequent transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. In July 2009, the PRC commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong, Macau and the ASEAN region. On 17 June 2010, PBOC, the Ministry of Commerce (the "MOFCOM"), the Ministry of Finance, the General Administration of Customs, the State Administration of Tax and the China Banking Regulatory Commission (the "CBRC") jointly promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通知), pursuant to which (i) Renminbi settlement of imports and exports of goods and services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover twenty provinces, and (iii) the restriction on designated offshore districts was lifted. Accordingly, any approved pilot enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports and exports of goods and services and other current account items between them. The pilot scheme was further extended on 24 August 2011 pursuant to the Circular on Expanding the Regions of Crossborder Trade Renminbi Settlement (關於擴大跨境貿易人民幣結算地區的通知) to cover all provinces and cities in the PRC and to make the settlement of Renminbi trade and other current account items available in all countries worldwide. On 3 February 2012, PBOC, MOFCOM, the Ministry of Finance, the General Administration of Customs, the State Administration of Tax, and CBRC jointly issued the Circular on Issues Concerning Administration over Enterprises Engaging in Renminbi Settlement of Export Trade in Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知), extending the Renminbi settlement to cover all duly qualified export enterprises trading in goods.

On 5 July 2013, PBOC promulgated the Circular on Policies relating to Simplifying and Improving Cross-border RMB Business Procedures (关于简化跨境人民币业务流程和完善有关政策的通知) (the "2013 PBOC Circular"), which simplifies the operating procedures on current account cross-border Renminbi settlement, provision of Renminbi outbound loans and Renminbi cross-border security in favour of offshore entities by onshore non-financial institutions, and further publishes policies with respect to bank card related cross-border Renminbi clearing and issuance of offshore Renminbi notes by onshore non-financial institutions. The 2013 PBOC Circular intends to improve the efficiency of crossborder Renminbi settlement and facilitate the use of cross-border Renminbi settlement by banks and enterprises. On 23 September 2013, PBOC further issued the Circular on the Relevant Issues on Renminbi Settlement of Investment in Onshore Financial Institutions by Foreign Investors (關於境外投資者 投資境內金融機構人民幣結算有關事項的通知), which provides further details for using Renminbi to invest in a financial institution domiciled in the PRC.

The above measures and circulars are relatively new and will be subject to interpretation and application by the relevant PRC authorities. The local counterparts of the relevant PRC authorities may adopt different practices in applying these measures and circulars and impose conditions for the settlement of Renminbi current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant authorities.

Until recently, settlement for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfers of shares, reduction of capital and interest and principal repayments to foreign investors in a foreign currency.

Under the interim measures jointly issued by the PRC National Development and Reform Commission (the "NDRC") and PBOC on 8 June 2007 (the "Interim Measures"), the Issuer shall (1) report to PBOC, NDRC and the State Administration of Foreign Exchange ("SAFE") within ten working days upon the conclusion of an issuance of Notes, setting out the information relating to the issuance, (2) apply to the relevant local SAFE office for the registration of proceeds of Notes within ten working days after the conclusion of an issuance of Notes, (3) remit the net proceeds of an issuance of Notes into the PRC within 30 working days once such net proceeds have been received, and (4) apply for the ratification from SAFE for the payment of principal and interest in respect of Notes five working days prior to such payment. However, SAFE issued the foreign debts measures on 28 April 2013 (the "Foreign Debt Measures"), which became effective on 31 May 2013, and simplified the reporting procedures. Under the Foreign Debts Measures, the Issuer (1) shall submit to the Capital Account Information System of SAFE a record in respect of the proceeds of Notes, and (2) may directly set up accounts with onshore and offshore banks and go through the formalities for withdrawal and repayment in connection with foreign debts. In practice, the Issuer shall submit to the Capital Account Information System of SAFE a record in respect of the principal and interest paid under Notes after each such payment.

Although there is no requirement for registration and ratification under the Foreign Debts Measures, the Interim Measures and the Foreign Debts Measures were promulgated by different authorities and are both valid and in full effect. The Issuer understands that the Foreign Debts Measures, which do not require registration and ratification with SAFE, shall be applicable to an offering of Notes and prevail. However, there can be no assurance that SAFE will have the same interpretation and will not require the registration and ratification procedure under the Interim Measures to be completed although the Foreign Debts Measures do not specifically require the Issuer to do so. If SAFE, PBOC and NDRC consider the registration and ratification requirements under the Interim Measures to be applicable to an offering of Notes, the Issuer would then have to fulfill the registration and ratification requirements with SAFE in its payment of principal and interest in respect of the Notes. In this situation, if the Issuer omits to register the proceeds of the Notes or omits to apply for ratification for the payment of principal and interest in respect of the Notes, it may be considered to be in violation of the Interim Measures. The Interim Measures do not set out the consequences of such violation. Consequently, the Issuer would then have to fulfill the registration and ratification requirements with SAFE under the Interim Measures in its payment of principal and interest in respect of the Notes.

On 3 June 2011, PBOC promulgated the Circular on Clarifying Issues concerning Crossborder Renminbi Settlement (關於明確跨境人民幣業務相關問題的通知) (the "PBOC Circular"). The PBOC Circular provides instructions to local PBOC authorities and relevant PRC banks on procedures for the approval of Renminbi settlement activities for non-financial foreign direct investment into the PRC. The PBOC Circular applies to

all non-financial foreign direct investment into the PRC with Renminbi, which includes investment by way of establishing a new enterprise, acquiring an onshore enterprise (excluding round-trip investment), transferring the shares, increasing the registered capital of an existing enterprise, or providing shareholder loan facilities in Renminbi. The domestic settlement banks of foreign investors or foreign invested enterprises in the PRC are required to submit written applications (which include, inter alia, requisite approval letters issued by the relevant MOC authorities) to the relevant local PBOC authorities at sub-provincial level or above for approval. PBOC will determine whether to grant such approval on a case by case basis. In addition, according to the PBOC Circular, application for direct investment with Renminbi in the projects which are restricted or specially controlled by the state will not be accepted at present as foreign direct investment with Renminbi is still at a trial stage.

On 13 October 2011, PBOC issued the PBOC RMB FDI Measures, as part of PBOC's detailed RMB FDI administration system. The system covers almost all aspects of RMB FDI, including capital injections, payment of the purchase price for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as RMB denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for RMB FDI and shareholder loans from PBOC which was previously required is no longer mandatory. In some cases, however, post-event filing with PBOC is still necessary. On 14 June 2012, PBOC further issued the Notice on Clarifying the implementation of Settlement of Cross-Border Renminbi Direct Investment (關於明確跨境人民幣直接投資業務結算操作細則的通知), which provides more detailed rules relating to cross-border Renminbi direct investments and settlement.

On 10 May 2013, SAFE promulgated the Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (外國投資者境內直接投資外匯管理規定) (the "SAFE Provisions"), which became effective on 13 May 2013. According to the SAFE Provisions, foreign investors can use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise by a PRC resident within the total investment amount approved by the competent authorities (for example, MOFCOM and/or its local counterparts as well as financial regulators). Capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies.

Under current SAFE rules, the foreign debts borrowed, and the foreign security provided, by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and foreign security regime. However, according to the 2013 PBOC Circular, upon enforcement of a foreign guarantee in Renminbi provided by onshore non-financial enterprises, PRC banks may provide Renminbi settlement services (i.e. remittance of enforcement proceeds) directly, which seems to indicate that SAFE approval for enforcement (which would be required in the case of the external guarantees in foreign currencies) is no longer required. Furthermore, onshore non-financial enterprises can request the PRC bank to extend Renminbi loans to offshore entities within the same group under Renminbi cash pooling arrangements and will no longer need to apply for a quota from SAFE. However, SAFE has not amended its positions under the current applicable rules, nor has it issued any regulations to confirm the positions in the 2013 PBOC Circular. Therefore, there remains potential inconsistencies between the provisions of the SAFE rules and the provisions of the 2013 PBOC Circular and it is unclear how SAFE will deal with such inconsistencies in practice.

On 3 December 2013, MOFCOM promulgated the MOFCOM RMB FDI Circular which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM RMB FDI Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify "Renminbi Foreign Direct Investment" and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the

MOFCOM RMB FDI Circular removes the approval requirement for changes to the relevant joint venture contract or the articles of association of the joint venture company to allow foreign investors to change the currency of its existing capital contribution from a foreign currency to Renminbi. Also the MOFCOM RMB FDI Circular specifies that the proceeds of foreign direct investment in RMB may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies under the PRC strategic investment regime with the approval of MOFCOM pursuant to the Administrative Measures for Strategic Investment by Foreign Investors in Listed Companies (外國投資者對上市公司戰略投資管理辦法).

According to the PBOC Shanghai FTZ Circular, banks in Shanghai can settle Renminbi funds under FDI for enterprises in the Shanghai FTZ upon the client's instruction. In addition, enterprises in the Shanghai FTZ can borrow Renminbi from offshore lenders within the prescribed limit, while the banks in the Shanghai FTZ can directly borrow offshore Renminbi, although the utilisation has geographical restrictions, the interpretation of which is still unclear. The PBOC Shanghai FTZ Circular also allows, in principle, the China Foreign Exchange Trading System to offer Renminbi-denominated financial asset trading services in the Shanghai FTZ to investors within the Shanghai FTZ as well as offshore investors, and the Shanghai Gold Exchange to offer Renminbi-denominated trading, delivery and settlement facilities relating to precious metal transactions in the Shanghai FTZ to investors within the Shanghai FTZ as well as offshore investors.

The above measures and circulars are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

Clearance and Settlement

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg, SIS, CDP, CDS or the CMU (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believe to be reliable, but neither the Issuer nor any Dealer or the Arranger takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("Depository System") maintained by CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate for persons holding the Notes in securities accounts with CDP ("Depositors"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("Depository Agents") approved by CDP under the Companies Act, Chapter 50 of Singapore to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is 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 Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in CDP will hold that interest through the respective accounts that Euroclear and Clearstream, Luxembourg each have with CDP.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("CMU Members") of capital markets instruments ("CMU Instruments") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike the European Clearing Systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

SIS

SIS has been part of SIX Group since January 2008. SIX Group was formed at the beginning of 2008 through the merger of SWX Group, SIS Group and Telekurs Group.

As both a central securities depository and an international central securities depository SIS offers banks and other financial market participants the safe custody of securities, a full range of custody services and the settlement of securities transactions. SIS settles securities transactions worldwide, including transactions in uncertificated securities.

In the Swiss market, SIS is part of the so-called Swiss value chain. The links to the SIX Swiss Exchange Ltd and the payment systems SIC/euroSIC, ensure fully automated settlement in central bank money.

CDS

CDS was formed in November 2006 pursuant to the restructuring of The Canadian Depository for Securities Limited ("CDS Ltd."). CDS is wholly owned by CDS Ltd. CDS Ltd. was incorporated in 1970 and remains the holding company for CDS and two other operating subsidiaries and is Canada's national securities clearing and depository services organisation. CDS Ltd. is wholly owned by TMX Group Limited.

Functioning as a service utility for the Canadian financial community, CDS provides a variety of computer automated services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants ("CDS Participants") include banks (including the Canadian Subcustodians (defined below)), investment dealers and trust companies and may include the Dealers or affiliates of the Dealers. Indirect access to CDS is available to other organisations that clear through or maintain a custodial relationship with a CDS Participant. Transfers of ownership and other interests, including cash distributions, in Notes in CDS may only be processed through CDS Participants and will be completed in accordance with existing CDS rules and procedures. CDS operates in Montreal, Toronto, Calgary and Vancouver to centralise securities clearing functions through a central securities depository.

CDS is the exclusive clearing house for equity trading on the Toronto Stock Exchange and also clears a substantial volume of over the counter trading in equities and bonds. The address for CDS is 85 Richmond Street West, Toronto, ON, Canada, M5H 2C9.

Global Clearance and Settlement Procedures

Initial settlement for Notes settling in CDS will be made in immediately available Canadian dollar funds. Such Notes will be held by CDS & CO., as nominee of CDS. Beneficial interests in the Global Certificate will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS. If the applicable Final Terms indicate that the Notes may clear in Euroclear and Clearstream, Luxembourg, investors may elect to hold interests in the Global Certificate directly through any of CDS (in Canada) or Clearstream, Luxembourg or Euroclear (in Europe) if they are participants of such systems, or indirectly through organisations which are participants in such systems. Links have been established among CDS, Euroclear and Clearstream, Luxembourg to facilitate issuance of Notes and cross-market transfers of Notes associated with secondary market trading. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in their respective names on the books of their respective Canadian subcustodians, each of which is a Canadian Schedule 1 chartered bank ("Canadian Subcustodians"), which in turn will hold such interests in customers' securities accounts in the names of the Canadian Subcustodians on the books of CDS. CDS will be directly linked to Euroclear and Clearstream, Luxembourg through the CDS accounts of their respective Canadian Subcustodians.

Secondary market trading between CDS Participants will be in accordance with market conventions applicable to transactions in book-based Canadian domestic bonds. Secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Transfers between CDS and Euroclear or Clearstream, Luxembourg

Cross-market transfers between persons holding directly or indirectly through CDS Participants, on the one hand, and directly or indirectly through Euroclear participants or Clearstream, Luxembourg participants, on the other, will be effected in CDS in accordance with CDS rules; however, such cross-market transactions will require delivery of instructions to the relevant clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant clearing system will, if the transaction meets its settlement requirements, deliver instructions to CDS directly or through its Canadian Subcustodian to take action to effect final settlement on its behalf by delivering or receiving Notes in CDS, and making or receiving payment in accordance with normal procedures for settlement in CDS. Euroclear participants and Clearstream, Luxembourg participants may not deliver instructions directly to CDS or the Canadian Subcustodians.

Because of time-zone differences, credits of Notes received in Euroclear or Clearstream, Luxembourg as a result of a transaction with a CDS Participant will be made during subsequent securities settlement processing and dated the business day following the CDS settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear participants or Clearstream, Luxembourg participants on such business day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of Notes by or through a Euroclear participant or a Clearstream, Luxembourg participant to a CDS Participant will be received with value on the CDS settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in CDS.

Book Entry Ownership

Bearer Notes

The Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through CDP, the CMU or SIS. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or SIS or CDP or a sub-custodian for the CMU, as the case may be. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of CDP, the CMU, SIS, Euroclear and Clearstream, Luxembourg.

Registered Notes

The Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Issuer may also apply to have Notes represented by a Global Certificate accepted for clearance through CDP, CDS, the CMU or SIS. Each Global Certificate will have an International Securities Identification Number ("ISIN") and/or a Common Code and/or a CUSIP. Investors in Notes of such Series may hold their interests in a Global Certificate through Euroclear, Clearstream, Luxembourg, CDP, CDS, SIS or the CMU, as the case may be.

Summary of Provisions Relating to the Notes While in Global Form

Initial Issue of Notes

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary") or CDP or with a sub-custodian for HKMA as operator of the CMU, or in the case of Notes denominated in Swiss francs, offered to the public in Switzerland and/or listed on the SIX Swiss Exchange SIX SIS AG, the Swiss Securities Servicer Corporation in Olten, Switzerland ("SIS", which expression shall include any other clearing institution recognised by the SIX Swiss Exchange), or registration of Registered Notes (which are not held under the NSS) in the name of any nominee for (i) Euroclear and Clearstream, Luxembourg or (ii) CDP or (iii) the HKMA and delivery of the relative Global Certificate to the Common Depositary, or CDP or the sub-custodian for the HKMA as operator of the CMU (as the case may be), the relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. Notes denominated in Canadian dollars settling and clearing through CDS will be represented on issue by a Global Certificate which will be deposited on or prior to the issue date of the Tranche with and registered in the name of CDS or a nominee of CDS.

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper 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 satisfaction of the Eurosystem eligibility criteria. Where the Global Notes or the Global Certificates issued in respect of a Tranche are in NGN form or held under the NSS (as the case may be), the ICSDs will be notified whether or not such Global Notes or Global Certificates (as the case may be) are intended to be held in a manner which would allow Eurosystem eligibility.

Notes that are initially deposited with the Common Depositary or with the Common Safekeeper, as the case may be, may (if indicated in the relevant Final Terms) also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Issuer — ICSDs Agreement

The Issuer has entered into an agreement with Euroclear and Clearstream, Luxembourg in respect of any Notes issued in NGN form or to be held under the NSS that the Issuer may request be made eligible for settlement with Euroclear and Clearstream, Luxembourg (the "Issuer-ICSDs Agreement"). The Issuer-ICSDs Agreement provides that Euroclear and Clearstream, Luxembourg will, in respect of any such Notes, *inter alia*, maintain records of their respective portion of the issue outstanding amount of such Notes and will, upon the Issuer's request, produce a statement for the Issuer's use showing the total nominal amount of its customer holdings of such Notes as of a specified date.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP, CDS, SIS or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP, CDS, SIS or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Global Certificate, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP, CDS, SIS or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid. So long as a Global Note or Global Certificate is held by SIS, each person (determined on the basis of statements of account provided by SIS) shall be the beneficial owner of an interest in the Global Note or Global Certificate to the extent of the amount (determined on the basis of statements of account provided by SIS) of their investment therein. In accordance with the regulations of the SIX Swiss Exchange, owners of beneficial interests in a Global Note or Global Certificate do not have the right to request the printing and delivery of Definitive Notes.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU Service, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU Service as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

Exchange

1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(A) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (see "Overview of the Programme - Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(B) otherwise, in whole or in part upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement, for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes*.

The CMU Service may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have so certified.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Terms and Conditions of the Notes in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of 2(C) below, Registered Notes:

(A) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders, the Issuing and Paying Agent and the Trustee of its intention to effect such exchange*; or

(B) if the relevant Final Terms provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange*; or

(C) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes*;

(D) (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg, SIS, the CMU or any other clearing system (an "Alternative Clearing System") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging Agent) of its election for such exchange;

(E) if the permanent Global Note is held by SIS and the presentation of Definitive Notes is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights of holders of Notes; or

(F) if the permanent Global Note is held on behalf of CDP, (1) an Event of Default has occurred and is continuing, (2), CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (3) CDP announces an intention permanently to cease business and no alternative clearing system is available or (4) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available.

3 Permanent Global Certificates

If the Final Terms states that the Notes are to be represented by a permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(A) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg, SIS, the CMU or an Alternative Clearing System (other than CDP or CDS) and any such

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* This option should not be expressed to be applicable in the applicable Final Terms if the Specified Denomination in such Final Terms includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."

clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or, if the Global Certificate is held by or on behalf of CDS and (i) CDS has notified the Issuer that it is unwilling or unable to continue to act as a depository for the Notes and a successor depository is not appointed by the Issuer within 90 working days after receiving such notice; or (ii) CDS ceases to be a recognised clearing agency under the Securities Act (Ontario) or a self-regulatory organisation under the Securities Act (Québec) or other applicable Canadian securities legislation and no successor clearing system is available within 90 working days after the Issuer becoming aware that CDS is no longer so recognised or, if the Global Certificate is held on behalf of CDP and an Event of Default has occurred and is continuing or CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or CDP announces an intention permanently to cease business and no alternative clearing system is available or CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available; or

(B) if principal in respect of any Notes is not paid when due; or

(C) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to 3(A) or 3(B) above, the holder of the Permanent Global Certificate has given the Registrar not less than 30 days' notice at its specified office of the intention of the holder of the Permanent Global Certificate to effect such transfer.

4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system so permit, such permanent Global Note will be exchangeable at the cost of the Issuer in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes if principal in respect of any Notes is not paid when due.

5 Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Issuing and Paying Agent and, in the case of Notes lodged with the CMU, the CMU Lodging Agent) (in each case, if such Global Note is in CGN form) or procure a change to the record of the relevant clearing system (if such Global Note is in NGN form). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note (if such Global Note is in CGN form) or procure a change to the record of the relevant clearing system (if such Global Note is in NGN form) to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and

stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6 Exchange Date

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the relevant Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, the permanent Global Notes and the Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

1 Payments

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Trust Deed. All payments in respect of Notes represented by a Global Note in CGN form (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. If the Global Note is an NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the principal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under an NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 6(h).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through CDS, CDP or the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment (the "Record Date"), where "Clearing System Business Day" means any day on which the relevant clearing system is open for business, which for Euroclear and Clearstream, Luxembourg is Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or a Global Certificate held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the

relevant Global Note or Global Certificate are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error)) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

Payments of principal and interest in respect of Canadian Notes represented by a Global Certificate will be made in Canadian dollars on behalf of the Issuer by the Issuing and Paying Agent (through a Canadian dollar wire transfer) to CDS or a nominee of CDS or as otherwise directed by CDS. Such amounts will be forwarded by CDS to CDS participants and thereafter to holders in accordance with and subject to the rules and procedures of CDS from time to time.

2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in "Terms and Conditions of the Notes - Taxation").

3 Meetings

At any meeting of Noteholders the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each US$1 (or its equivalent) in principal amount of Notes for which such Global Note may be exchanged. All holders of Registered Notes are entitled to one vote in respect of each US$1 in principal amount of Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Terms and Conditions of the Notes to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note.

5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective Subsidiaries (as defined in the Trust Deed) if they are purchased together with the rights to receive all future payments of interest.

6 Issuer's Option

Any option of the Issuer provided for in the Terms and Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in the Terms and Conditions of the Notes or the applicable Final Terms and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a

clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, CDS, CDP or the relevant Alternative Clearing System (as the case may be).

7 Noteholders' Options

Any option of the Noteholders provided for in the Terms and Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate may be exercised by the holder of the Global Note or Global Certificate giving notice to the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Issuing and Paying Agent and, in the case of Notes lodged with the CMU, the CMU Lodging Agent) within the time limits relating to the deposit of Notes with a Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting (if such Global Note is in CGN form) the Global Note or (if such Global Certificate is not held under the NSS) the Global Certificate to the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Issuing and Paying Agent and, in the case of Notes lodged with the CMU, the CMU Lodging Agent), or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the principal amount of the Notes recorded in those records will be reduced accordingly.

8 Registered Notes held in CDP

(i) Payments of principal in respect of Registered Notes held in CDP shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) While CDP Notes are represented by the Global Certificate, interest on such Notes shall be paid to the person shown on the Register at the fifth business day before the due date for payment thereof (the "Record Date"). Payments of interest on each Note shall be made by transfer to the registered account of the holder.

(iii) In this paragraph:

(A) "business day" means a day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) on which the CDP and commercial banks are open for business in Singapore, London, Beijing and Hong Kong; and

(B) "registered account" means the Renminbi account maintained by or on behalf of the holder with a bank in Singapore, details of which appear in the Register at the close of business on the fifth business day before the due date for payment.

9 Direct Rights in respect of Notes cleared through CDP

In respect of a Global Note or a Global Certificate held in CDP, if any Event of Default has occurred and is continuing, the Trustee may state in a notice given to the Issuing and Paying Agent and the Issuer (the "default notice") the principal amount of Notes (which may be less than the outstanding principal amount of the Global Note or Global Certificate) which is being declared due and payable. Following the giving of the default notice, the holder of the Notes represented by the Global Note or Global Certificate, as the case may be, cleared through CDP may (subject as provided below) elect that direct rights ("Direct Rights") under the provisions of a deed of covenant to be entered into by the Issuer (the "CDP Deed of Covenant") shall come into effect in respect of a principal amount of Notes up to the aggregate principal amount in respect of which

such default notice has been given. Such election shall be made by notice to the Issuing and Paying Agent and the Registrar in the case of the Global Certificate and presentation of the Global Note or Global Certificate, as the case may be, to or to the order of the Issuing and Paying Agent for reduction of the principal amount of Notes represented by the Global Note or Global Certificate, as the case may be, by such amount as may be stated in such notice and by endorsement of the appropriate Schedule hereto of the nominal amount of Notes in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Global Note or Global Certificate, as the case may be, shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date or the date of transfer in respect of a Global Certificate unless the holder elects in such notice that the exchange for such Notes shall no longer take place. The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Terms and Conditions of the Notes.

10 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

11 Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg, CDS or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or the Global Certificate or (ii) the CMU Service, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

12 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(A) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) 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" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the 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 and Talons 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 Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. 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. As used in this paragraph, "commercially reasonable evidence" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder or participant of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. 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. Neither the Issuer nor the Trustee shall 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.

BP p.l.c.

Unless otherwise indicated, information set out in this section relating to BP p.l.c. reflects 100 per cent. of the assets and operations of BP and its subsidiaries that were consolidated at the date or for the periods indicated, including minority interests. Also, unless otherwise indicated, figures for business sales and other operating revenues include sales between BP businesses.

Introduction

The Anglo-Persian Oil Company Ltd, incorporated in 1909, later known as The British Petroleum Company Ltd, changed its name to BP Amoco p.l.c. following the merger with Amoco Corporation (incorporated in Indiana, USA, in 1889). The company subsequently changed its name to BP p.l.c. BP is a public limited company incorporated under the Companies (Consolidation) Act 1908 with registered number 00102498.

BP is an integrated oil and gas company. BP's worldwide headquarters and registered office is located at 1 St James's Square, London SW1Y 4PD, UK, telephone +44 (0)20 7496 4000.

BP is one of the world's leading international oil and gas companies. The BP Group operates or markets its products in more than 80 countries, providing customers with fuel for transportation, energy for heat and light, and retail services and petrochemicals products for everyday items.

The BP Group is working to build a stronger, safer business that plays to its strengths: exploration, operations in deep water, the managing of giant fields and gas value chains, and its downstream business. Innovative technology and strong relationships with governments, partners, and communities around the world underpin its activities.

Organisational Structure

The BP Group is a global group, with interests and activities held or operated through subsidiaries, jointly controlled entities or associates established in, and subject, to the laws and regulations of, many different jurisdictions.

BP is, directly or indirectly, the ultimate holding company of all the companies in the BP Group and its assets are substantially comprised of shares in such companies and its holding in Rosneft. It does not conduct any other substantive business and is accordingly dependent on the other members of the BP Group and revenues received from them.

Business Activities

The BP Group's main global interests and activities are covered by two business segments: Upstream and Downstream.

Upstream activities include oil and natural gas exploration, field development, and production; transportation, storage, and processing of oil and gas; and the marketing and trading of natural gas, including liquefied natural gas. The BP Group has upstream operations in 28 countries including Angola, Azerbaijan, Canada, Egypt, Norway, Trinidad and Tobago, the UK, the US and other locations in Asia, Australasia, South America, North Africa and the Middle East.

Its downstream activities include the supply and trading, refining, manufacturing, marketing, and transportation of crude oil, petroleum, and petrochemicals products and related services. The BP Group markets fuels and products in over 70 countries and has significant operations in Europe, North America, Australasia and Asia. It also manufactures and markets products across southern Africa and Central and South America.

The BP Group's long-established supply and trading activity is responsible for delivering value across the crude and oil products supply chain. Its petrochemicals business maintains a manufacturing position globally, with an

emphasis on growth in Asia. Its lubricants business, Castrol, blends and markets lubricants globally, growing business through market growth and the development of new products.

BP also has major interests in Russia, with a 19.75 per cent. shareholding in Rosneft, the country's largest oil company.

The BP Group's activities in low-carbon energy, primarily biofuels and wind, are managed through its Alternative Energy business.

The UK is a centre for trading, legal, finance, and other business functions as well as three of the BP Group's major global research and technology groups. The BP Group has around 83,000 employees worldwide.

The BP Group has well-established operations in Europe, the US, Canada, Russia, South America, Australasia, Asia and parts of Africa. Currently, around 64 per cent. of the BP Group's fixed assets are invested in OECD countries, with around 39 per cent. of its fixed assets located in the US and around 20 per cent. in Europe.

Recent Developments

Divestment programme

In October 2013, BP announced plans to divest a further US$10 billion of assets before the end of 2015, having completed its earlier divestment programme of US$38 billion in 2012. BP has agreed around US$3.4 billion of such further divestments to date. Disposal proceeds received in cash were US$0.8 billion for the second quarter of 2014 and US$1.8 billion for the half year 2014.

Share repurchase programme

BP repurchased 53 million ordinary shares at a cost of US$0.5 billion, including fees and stamp duty, during the second quarter of 2014. For the half year 2014, BP repurchased 298 million ordinary shares at a cost of US$2.4 billion, including fees and stamp duty. As at 30 June 2014, BP had bought back 1,051 million shares for a total amount of US$7.9 billion, including fees and stamp duty, since the announcement on 22 March 2013 of a share repurchase programme with a total value of up to US$8 billion. The US$8 billion share repurchase programme was completed in July 2014.

Legal Proceedings

Proceedings relating to the Gulf of Mexico oil spill

BP's potential liabilities resulting from threatened, pending and potential future claims, lawsuits and enforcement actions relating to the 20 April 2010 explosions and fire on the semi-submersible rig Deepwater Horizon and resulting oil spill, together with the potential cost of implementing remedies sought in the various proceedings, cannot be fully estimated at this time but they have had and could continue to have a material adverse impact on the group's business, competitive position, financial performance, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, particularly in the US. The potential liabilities may continue to have a material adverse effect on the group's results and financial condition.

BP p.l.c., BP Exploration & Production Inc. ("BPXP") and various other BP entities (collectively referred to as BP) are among the companies named as defendants in approximately 2,950 pending civil lawsuits relating to the 20 April 2010 explosions and fire on the semi-submersible rig Deepwater Horizon and resulting oil spill and further actions are likely to be brought. BPXP was lease operator of Mississippi Canyon, Block 252 in the Gulf of Mexico ("Macondo"), where the Deepwater Horizon was deployed at the time of the Gulf of Mexico oil spill. The other working interest owners at the time of the Gulf of Mexico oil spill were Anadarko Petroleum Company ("Anadarko") and MOEX Offshore 2007 LLC ("MOEX"). The Deepwater Horizon, which was owned and operated by certain affiliates of Transocean Ltd. ("Transocean"), sank on 22 April 2010. The pending lawsuits

and/or claims arising from the Gulf of Mexico oil spill have generally been brought in US federal and state courts. The plaintiffs include individuals, corporations, insurers, and governmental entities and many of the lawsuits purport to be class actions. The lawsuits assert, among others, claims under the OPA 90, claims for personal injury in connection with the Gulf of Mexico oil spill itself and the response to it, wrongful death, commercial and economic injury, breach of contract and violations of statutes. Many of the lawsuits assert claims which are excluded from the Economic and Property Damages Settlement Agreement including claims for recovery for losses allegedly resulting from the 2010 federal deepwater drilling moratoria and/or the related permitting process. The lawsuits seek various remedies including compensation to injured workers, recovery for commercial losses and property damage, compensation for personal injuries and medical monitoring, claims for environmental damage, remediation costs, claims for unpaid wages, injunctive and declaratory relief, treble damages and punitive damages. Purported classes of claimants include residents of the states of Louisiana, Mississippi, Alabama, Florida and Texas; property owners and rental agents, fishermen and persons dependent on the fishing industry, charter boat owners and deck hands, marina owners, gasoline distributors, shipping interests, restaurant and hotel owners, cruise lines and others who are property and/or business owners alleged to have suffered economic loss; and response workers and residents claiming injuries due to exposure to the components of oil and/or chemical dispersants. Among other claims arising from the spill response efforts, lawsuits have been filed claiming that additional payments are due by BP under certain Master Vessel Charter Agreements entered into in the course of the Vessels of Opportunity Program implemented as part of the response to the Gulf of Mexico oil spill. Purported class action and individual lawsuits have also been filed in US state and federal courts, as well as one suit in Canada, against BP entities and/or various current and former officers and directors alleging, among other things, shareholder derivative claims, securities fraud claims, violations of the Employee Retirement Income Security Act ("ERISA") and contractual and quasi-contractual claims related to the cancellation of the dividend on 16 June 2010. In August 2010, many of the lawsuits pending in federal court were consolidated by the Federal Judicial Panel on multi-district litigation into two multi-district litigation proceedings, one in federal district court in Houston for the securities, derivative and ERISA cases ("MDL 2185") and another in federal district court in New Orleans for the remaining cases ("MDL 2179"). Presentation of evidence in the first trial phase ("Phase 1") of a Trial of Liability, Limitation, Exoneration and Fault Allocation in MDL 2179 concluded on 17 April 2013, and the parties completed post-trial briefing in respect of Phase 1 on 12 July 2013. The second trial phase ("Phase 2"), which addressed source control efforts and the amount of oil that was spilled into the Gulf as a result of the Gulf of Mexico oil spill, completed on 18 October 2013, and post-trial briefing in respect of Phase 2 is complete. In a further trial phase (the "Penalty Phase"), the district court will determine the amount of civil penalties owed to the United States under the Clean Water Act based on the court's rulings as to the presence of negligence, gross negligence or wilful misconduct in Phases 1 and 2, the court's rulings as to quantification of discharge in Phase 2 and the application of the penalty factors under the Clean Water Act. The Penalty Phase is scheduled to commence on 20 January 2015.

On 3 March 2012, BP announced an agreement in principle with the Plaintiffs' Steering Committee ("PSC") in MDL 2179 to settle the substantial majority of legitimate private economic and property damages claims and exposure-based medical claims stemming from the Gulf of Mexico oil spill.

On 1 June 2010, the DoJ announced that it was conducting an investigation into the Gulf of Mexico oil spill encompassing possible violations of US civil or criminal laws, and subsequently created a unified task force of federal agencies to investigate the Gulf of Mexico oil spill. On 15 November 2012, BP announced that it reached agreement with the US government, subject to court approval, to resolve all federal criminal charges and all claims by the SEC against BP arising from the Deepwater Horizon accident, oil spill and response.

MDL 2179 and related matters DoJ Action; liability limitation-, contribution- and indemnity-related proceedings; and Trial of Liability, Limitation, Exoneration and Fault Allocation

On 13 May 2010, Transocean and certain affiliates filed a complaint under admiralty law in federal court in Texas seeking exoneration from or limitation of liability as managing owners and operators of the Deepwater Horizon. That action (the "Limitation Action") was consolidated with MDL 2179 on 24 August 2010.

The United States filed a civil complaint in MDL 2179 against BPXP and others on 15 December 2010 ("DoJ Action"). The complaint seeks a declaration of liability under OPA 90 and civil penalties under the Clean Water Act and sets forth a purported reservation of rights on behalf of the US to amend the complaint or file additional complaints seeking various remedies under various US federal laws and statutes.

On 18 February 2011, Transocean filed a third-party complaint against BP, the US government, and other corporations involved in the Gulf of Mexico oil spill, naming those entities as formal parties in the Limitation Action. On 20 April 2011, Transocean filed claims in the Limitation Action alleging that BP had breached BP America Production Company's contract with Transocean Holdings LLC by BP not agreeing to indemnify Transocean against liability related to the Gulf of Mexico oil spill and by not paying certain invoices. Transocean also asserted claims against BP under state law, maritime law, and OPA 90 for contribution.

On 20 April 2011, BP filed claims against Cameron International Corporation ("Cameron"), Halliburton Energy Services, Inc. ("Halliburton"), and Transocean in the DoJ Action, seeking contribution for any assessments against BP under OPA 90 based on those entities' fault. On 20 June 2011, Cameron and Halliburton moved to dismiss BP's claims against them in the DoJ Action. BP's claim against Cameron has been resolved pursuant to settlement, but Halliburton's motion remains pending.

On 20 April 2011, BP asserted claims against Cameron, Halliburton and Transocean in the Limitation Action. BP's claims against Transocean include breach of contract, unseaworthiness of the Deepwater Horizon vessel, negligence (or gross negligence and/or gross fault as may be established at trial based upon the evidence), contribution and subrogation for costs (including those arising from litigation claims) resulting from the Gulf of Mexico oil spill, as well as a declaratory claim that Transocean is wholly or partly at fault for the Gulf of Mexico oil spill and responsible for its proportionate share of the costs and damages. BP asserted claims against Halliburton for fraud and fraudulent concealment based on Halliburton's misrepresentations to BP concerning, among other things, the stability testing on the foamed cement used at the Macondo well; for negligence (or, if established by the evidence at trial, gross negligence) based on Halliburton's performance of its professional services, including cementing and mud logging services; and for contribution and subrogation for amounts that BP has paid in responding to the Gulf of Mexico oil spill, as well as in OPA 90 assessments and in payments to the plaintiffs. BP filed a similar complaint against Halliburton in federal court in the Southern District of Texas, Houston Division, and the action was transferred to MDL 2179 on 4 May 2011.

On 20 April 2011, Halliburton filed claims in the Limitation Action seeking indemnification from BP for claims brought against Halliburton in that action. Halliburton also asserted a claim for negligence, gross negligence and wilful misconduct against BP and others. On 30 November 2011, Halliburton filed a motion for summary judgment in MDL 2179. On 21 December 2011, BP filed a cross-motion for partial summary judgment seeking an order that BP has no contractual obligation to indemnify Halliburton for fines, penalties or punitive damages resulting from the Gulf of Mexico oil spill. On 31 January 2012, the judge ruled on BP's and Halliburton's indemnity motions, holding that BP is required to indemnify Halliburton for third-party claims for compensatory damages resulting from pollution that did not originate from property or equipment of Halliburton located above the surface of the land or water, regardless of whether the claims result from Halliburton's gross negligence. The court, however, ruled that BP does not owe Halliburton indemnity to the extent that Halliburton is held liable for punitive damages or for civil penalties under the Clean Water Act. The court further held that BP's obligation to defend Halliburton for third-party claims does not require BP to fund Halliburton's defence of third-party claims at this time, nor does

it include Halliburton's expenses in proving its right to indemnity. The court deferred ruling on whether BP is required to indemnify Halliburton for any penalties or fines under the Outer Continental Shelf Lands Act. It also deferred ruling on whether Halliburton acted so as to invalidate the indemnity by breaching its contract with BP, by committing fraud, or by committing another act that materially increased the risk to BP or prejudiced the rights of BP as an indemnitor.

On 30 May 2011, Transocean filed claims against BP in the DoJ Action alleging that BP America Production Company had breached its contract with Transocean Holdings LLC by not agreeing to indemnify Transocean against liability related to the Gulf of Mexico oil spill. Transocean also asserted claims against BP under state law, maritime law and OPA 90 for contribution.

On 1 November 2011, Transocean filed a motion for partial summary judgment on certain claims filed in the Limitation Action and the DoJ Action between BP and Transocean, seeking an order that would bar BP's contribution claims against Transocean and require BP to defend and indemnify Transocean against all pollution claims, including those resulting from any gross negligence, and from civil fines and penalties sought by the government. On 7 December 2011, BP filed a cross-motion for summary judgment seeking an order that BP is not required to indemnify Transocean for any civil fines and penalties sought by the government or for punitive damages. On 26 January 2012, the judge ruled on BP's and Transocean's indemnity motions, holding that BP is required to indemnify Transocean for third-party claims for compensatory damages resulting from pollution originating beneath the surface of the water, regardless of whether the claim results from Transocean's strict liability, negligence or gross negligence. The court, however, ruled that BP does not owe Transocean indemnity for such claims to the extent Transocean is held liable for punitive damages or for civil penalties under the Clean Water Act, or if Transocean acted with intentional or wilful misconduct in excess of gross negligence. The court further held that BP's obligation to defend Transocean for third-party claims does not require BP to fund Transocean's defence of third-party claims at this time, nor does it include Transocean's expenses in proving its right to indemnity. The court deferred a final ruling on the question of whether Transocean breached its drilling contract with BP so as to invalidate the contract's indemnity clause.

On 8 December 2011, the United States brought a motion for partial summary judgment in the DoJ Action seeking, among other things, an order finding that BPXP, Transocean and Anadarko are strictly liable for a civil penalty under Section 311(b) (7)(A) of the Clean Water Act. On 22 February 2012, the judge ruled on motions filed in the DoJ Action by the United States, Anadarko, and Transocean seeking early rulings regarding the liability of BPXP, Anadarko and Transocean under OPA 90 and the Clean Water Act, but limited the order to addressing the discharge of hydrocarbons occurring under the surface of the water. Regarding OPA 90, the judge held that BPXP and Anadarko are responsible parties under OPA 90 with regard to the subsurface discharge. The judge ruled that BPXP and Anadarko have joint and several liability under OPA 90 for removal costs and damages for such discharge, but did not rule on whether such liability under OPA 90 is unlimited. While the judge held that Transocean is not a responsible party under OPA 90 for subsurface discharge, the judge left open the question of whether Transocean may be liable under OPA 90 for removal costs for such discharge as the owner/operator of the Deepwater Horizon.

Regarding the Clean Water Act, the judge held that the subsurface discharge was from the Macondo well, rather than from the Deepwater Horizon, and that BPXP and Anadarko are liable for civil penalties under Section 311 of the Clean Water Act as owners of the well. Anadarko, BPXP and the United States each appealed to the US Court of Appeals for the Fifth Circuit (the "Fifth Circuit"), and on 4 June 2014 the Fifth Circuit unanimously affirmed the District Court's 22 February 2012 decision. On 21 July 2014, Anadarko and BPXP filed petitions requesting that all active judges of the Fifth Circuit review the 4 June 2014 decision.

On 18 December 2012, Transocean filed a motion seeking an early ruling that it is not liable in connection with claims for compensatory or punitive damages, or claims for contribution, brought by private, state, or local government entities and based on the subsurface discharge of oil. Transocean's motion has been fully briefed but remains pending. On 18 December 2012, Transocean filed a motion seeking an early ruling that it is not liable in

connection with punitive damages claims brought by members of the Economic and Property Damages Settlement Class. On 20 December 2012, Transocean filed a motion seeking an early ruling that it is not liable in connection with BP's claims for reimbursement of payments made under the Economic and Property Damages Settlement Agreement and BP's separate claims for spill-related damages, such as lost profits from the Macondo well, which claims were assigned by BP to the Economic and Property Damages Settlement Class. On 17 January 2013, Halliburton filed motions seeking early rulings that it is not liable in connection with punitive damages claims brought by members of the Economic and Property Damages Settlement Class; that it is not liable in connection with any contribution claim for punitive damages, whether asserted by BP or by the Economic and Property Damages Settlement Class as BP's assignee; and that it is not liable in connection with claims assigned by BP to the Economic and Property Damages Settlement Class. Transocean's and Halliburton's motions have been fully briefed but remain pending.

On 11 January 2013, BP filed a motion in the DoJ Action for partial summary judgment against the United States, seeking rulings that (1) BP collected at least 810,000 barrels from the broken riser, from the top of the blowout preventer and lower marine riser package, and from the choke and kill lines of the blowout preventer, all before these barrels reached the waters of the Gulf of Mexico, and (2) that these barrels may not be counted toward the maximum penalty potentially to be assessed against BPXP under Section 311 of the Clean Water Act, 33 U.S.C. § 1321. BP and the United States subsequently reached a stipulation, entered by the court on 19 February 2013, providing that 810,000 barrels of oil were collected without coming into contact with ambient Gulf waters and that those barrels are not to be used in calculating the statutory maximum penalty under the Clean Water Act.

On 1 March 2013, Transocean sought the district court's leave to supplement its pleadings to include an affirmative defence asserting that BP's representations regarding the flow rate at the Macondo well constituted an intervening and superseding cause of the oil spill for the majority of its duration. Transocean's defence claims that BP fraudulently misrepresented and concealed information regarding the flow rate at the Macondo well in late April and May 2010, as well as the likelihood of success of a top-kill approach to stopping the flow of hydrocarbons from the well, and thus prevented the implementation of alternative means of source control that Transocean asserts could have capped the well as early as May 2010. Also on 1 March 2013, Halliburton filed a motion for leave to amend its answers to assert a similar defence. On 4 March 2013, the court granted Transocean's motion to file amended answers, and it granted Halliburton's motion the following day.

Trial phases

To address certain issues asserted in or relevant to the claims, counterclaims, cross-claims, third-party claims, and comparative fault defences raised in the DoJ Action and the Limitation Action, a Trial of Liability, Limitation, Exoneration and Fault Allocation commenced in MDL 2179 on 25 February 2013. The presentation of evidence in the first phase of the trial ("Phase 1"), which completed on 17 April 2013, addressed issues arising out of the conduct of various parties allegedly relevant to the loss of well control at the Macondo well, the ensuing fire and explosion on the Deepwater Horizon on 20 April 2010, the sinking of the vessel on 22 April 2010 and the initiation of the release of oil from the Deepwater Horizon or the Macondo well during those time periods, including whether BP or any other party was grossly negligent. The parties completed court-ordered post-trial briefing in respect of Phase 1 on 12 July 2013. On 13 August 2013, BP moved for leave to supplement the Phase 1 record to include Halliburton's agreement to plead guilty to destroying evidence relating to Halliburton's internal examination of the Gulf of Mexico oil spill and the US government's press release announcing the Halliburton plea agreement. The US government, the PSC and Halliburton have also submitted briefs addressing the implications of Halliburton's plea agreement. The district court has yet to rule on BP's motion. BP is not currently aware of the timing of the district court's ruling in respect of issues addressed in Phase 1 which could be at any time.

The second trial phase ("Phase 2"), which commenced on 30 September 2013, addressed (i) 'source control' issues pertaining to the conduct or inaction of BP, Transocean or other relevant parties regarding stopping the release of hydrocarbons stemming from the Gulf of Mexico oil spill from 22 April 2010 through to approximately 19

September 2010, and (ii) 'quantification of discharge' issues pertaining to the amount of oil actually released into the Gulf of Mexico as a result of the Gulf of Mexico oil spill from the time when these releases began until the Macondo well was capped on approximately 15 July 2010 and then permanently cemented shut on approximately 19 September 2010. Post-trial briefing in respect of Phase 2 is complete. On 25 January 2014, Transocean filed a motion to supplement the Phase 2 record with certain testimony that occurred in a separate trial of a former BP employee related to the Gulf of Mexico oil spill. The district court has yet to rule on this motion. BP is not currently aware of the timing of the district court's ruling in respect of issues addressed in Phase 2 which could be at any time.

In a further trial phase, the Penalty Phase, the district court will determine the amount of civil penalties arising under the Clean Water Act based on the court's rulings as to the presence of negligence, gross negligence or wilful misconduct in Phases 1 and 2, the court's rulings as to quantification of discharge in Phase 2 and the application of the penalty factors under the Clean Water Act. Following a status conference on 21 March 2014, the district court scheduled the Penalty Phase to commence on 20 January 2015. Discovery in the Penalty is currently in progress, and the Penalty Phase is expected to last three weeks. In the Penalty Phase, the District Court will determine the amount of civil penalties owed to the United States under the Clean Water Act based on the court's rulings as to the presence of negligence, gross negligence or wilful misconduct in Phases 1 and 2, the court's rulings as to quantification of discharge in Phase 2 and the application of the penalty factors under the Clean Water Act.

The district court in MDL 2179 has wide discretion in its determination as to whether a defendant's conduct involved negligence or gross negligence as well as in its determinations on the volume of oil spilled and the application of statutory penalty factors.

MOEX, Anadarko and Cameron settlements

BP announced settlement agreements in respect of all claims related to the Gulf of Mexico oil spill with MOEX, Anadarko and Cameron on 20 May 2011, 17 October 2011 and 16 December 2011, respectively. Under the settlement agreement with MOEX, MOEX paid BP US$1.065 billion and also agreed to transfer all of its 10 per cent. interest in the MC252 lease to BP. Under the settlement agreement with Anadarko, Anadarko paid BP US$4 billion and has also agreed to transfer all of its 25 per cent. interest in the MC252 lease to BP. The settlement agreement with Anadarko grants Anadarko the opportunity for a 12.5 per cent. participation in certain future recoveries from third parties and certain insurance proceeds in the event that such recoveries and proceeds exceed US$1.5 billion in aggregate. Any such payments to Anadarko are capped at a total of US$1 billion. BP agreed to indemnify MOEX, Anadarko and Cameron for certain claims arising from the Gulf of Mexico oil spill (excluding civil, criminal or administrative fines and penalties, claims for punitive damages, and certain other claims). The settlement agreements with MOEX, Anadarko and Cameron are not an admission of liability by any party regarding the Gulf of Mexico oil spill.

PSC settlements

The Economic and Property Damages Settlement resolves certain economic and property damage claims, and the Medical Benefits Class Action Settlement resolves certain medical claims by response workers and certain Gulf Coast residents. The Economic and Property Damages Settlement includes a US$2.3 billion BP commitment to help resolve economic loss claims related to the Gulf seafood industry and a US$57 million fund to support continued advertising that promotes Gulf Coast tourism. It also resolves property damage in certain areas along the Gulf Coast, as well as claims for additional payments under certain Master Vessel Charter Agreements entered into in the course of the Vessels of Opportunity Program implemented as part of the response to the Gulf of Mexico oil spill. The Economic and Property Damages Settlement does not include claims made against BP by the DoJ or other federal agencies (including under the Clean Water Act and for Natural Resource Damages under OPA 90) or by the states and local governments. Also excluded are certain other claims against BP, such as securities and

shareholder claims pending in MDL 2185, and claims based solely on the deepwater drilling moratorium and/or the related permitting process.

The Medical Benefits Class Action Settlement involves payments to qualifying class members based on a matrix for certain specified physical conditions, as well as a 21-year periodic medical consultation programme for qualifying class members. Payments of claims under the Medical Benefits Class Action Settlement could not begin until after the agreement's 12 February 2014 effective date, being the day after the resolution of all appeals from the final approval of the Medical Benefits Class Action Settlement, though class members were permitted to file claim forms in advance of the effective date to facilitate administration of the Medical Benefits Class Action Settlement upon the effective date. The deadline for submitting claims under the Medical Benefits Class Action Settlement is one year after the effective date. The settlement also provides that class members claiming later-manifested physical conditions may pursue their claims through a mediation/litigation process, but waive, among other things, the right to seek punitive damages. Consistent with its commitment to the Gulf, BP has also agreed as part of the Medical Benefits Class Action Settlement to provide US$105 million to the Gulf Region Health Outreach Program to improve the availability, scope and quality of healthcare in certain Gulf Coast communities. This healthcare outreach programme will be available to, and is intended to benefit, class members and other individuals in those communities. BP has already begun funding the projects sponsored by this programme.

Each agreement provides that class members will be compensated for their claims on a claims-made basis, according to agreed compensation protocols in separate court-supervised claims processes. The compensation protocols under the Economic and Property Damages Settlement provide for the payment of class members' economic losses and property damages related to the oil spill. In addition many economic and property damages class members will receive payments based on negotiated risk transfer premiums, which are multiplication factors designed, in part, to compensate claimants for potential future damages that are not currently known, relating to the Gulf of Mexico oil spill. The Economic and Property Damages Settlement and the Medical Benefits Class Action Settlement are not an admission of liability by BP. The settlements are uncapped except for economic loss claims related to the Gulf seafood industry under the Economic and Property Damages Settlement and the US$105 million to be provided to the Gulf Region Health Outreach Program under the Medical Benefits Class Action Settlement.

All class member settlements under the settlement agreements are payable under the terms of the Trust. Other costs to be paid from the Trust include state and local government claims, state and local response costs, natural resource damages and related claims, and final judgments and settlements. As at 31 December 2013, the aggregate cash balances in the Trust and the qualified settlement funds amounted to US$6.7 billion, including US$1.2 billion remaining in the seafood compensation fund which has yet to be distributed, and US$0.9 billion held for natural resource damage early restoration. Should the cash balances in the Trust not be sufficient, payments in respect of legitimate claims and other costs will be made directly by BP.

The economic and property damages claims process is under court supervision through the settlement claims process established by the Economic and Property Damages Settlement. Under the Economic and Property Damages Settlement, class members release and dismiss their claims against BP not expressly reserved by that agreement. The Economic and Property Damages Settlement also provides that, to the extent permitted by law, BP assigns to the PSC certain of its claims, rights and recoveries against Transocean and Halliburton for damages with protections such that Transocean and Halliburton cannot pass those damages through to BP. Under the Medical Benefits Class Action Settlement, class members release and dismiss their claims against BP covered by that settlement, except that class members do not release claims for later-manifested physical conditions.

On 24 April 2013, the plaintiffs in two actions arising from the Gulf of Mexico oil spill filed a motion asking the Federal Judicial Panel on multi-district litigation to create new multi-district litigation proceedings for certain claims not covered by the two class settlements entered into between BP and the PSC. BP and other defendants opposed the motion and on 9 August 2013 the Federal Judicial Panel on multi-district litigation denied the motion.

PSC settlements appeals

Under US federal law, there is an established procedure for determining the fairness, reasonableness and adequacy of class action settlements. Pursuant to this procedure, an extensive notice programme to the public was implemented to explain the settlement agreements and class members' rights, including the right to "opt out" of the classes, and the processes for making claims. The court conducted a fairness hearing on 8 November 2012 in which to consider, among other things, whether to grant final approval of the Economic and Property Damages Settlement and the Medical Benefits Class Action Settlement, whether to certify the classes for settlement purposes only, and the merits of any objections to the settlement agreements. On 21 November 2012, the parties to the settlement filed a list of 13,123 individuals and entities who had submitted timely requests to opt out of the Economic and Property Damages Settlement Class and 1,638 individuals who had submitted timely requests to opt out of the Medical Benefits Settlement Class. On 16 November 2012, the court extended the deadline from 5 November 2012 to 15 December 2012 for such excluded persons or entities to request revocation of their requests to opt out of the settlement. As a result of such revocations, the number of opt-outs for the Economic and Property Damages Settlement and the Medical Benefits Class Action Settlement is fewer than those reported figures.

Following the fairness hearing, the Economic and Property Damages Settlement was approved by the district court in a final order and judgment on 21 December 2012, and the Medical Benefits Class Action Settlement was approved in a final order and judgment on 11 January 2013.

Subsequent to the district court's final order and judgment approving the Economic and Property Damages Settlement, groups of purported members of the Economic and Property Damages Settlement Class (the "Appellants") appealed from the district court's approval of that settlement to the Fifth Circuit. Additionally, a coalition of fishing and community groups (the "Coalition") appealed to the Fifth Circuit from an order of the district court denying it permission to intervene in the civil action serving as the vehicle for the Economic and Property Damages Settlement and further denying it permission to take discovery regarding the fairness of that settlement. On 11 November 2013, the Fifth Circuit affirmed the district court's rulings in respect of the Coalition. On 10 January 2014, a panel of the Fifth Circuit affirmed the district court's approval of the Economic and Property Damages Settlement but left to another panel of the Fifth Circuit (the business economic loss panel, discussed further below) the question of how to interpret the Economic and Property Damages Settlement, including the meaning of the causation requirements of that agreement. BP and several Appellants have filed petitions requesting that all the active judges of the Fifth Circuit review the decision to uphold approval of the settlement.

PSC settlements – Deepwater Horizon Court Supervised Settlement Program ("DHCSSP") and interpretation of the Economic and Property Damages Settlement Agreement

The DHCSSP, the claims facility operating under the framework established by the Economic and Property Damages Settlement, commenced operation on 4 June 2012 under the oversight of claims administrator Patrick Juneau.

As part of its monitoring of payments made by the court-supervised claims processes operated by the DHCSSP, BP identified multiple business economic loss claim determinations that appeared to result from an interpretation of the Economic and Property Damages Settlement Agreement by that settlement's claims administrator that BP believed was incorrect. This interpretation produced a higher number and value of awards than the interpretation BP used in making its initial estimate of the total cost of the Economic and Property Damages Settlement. Pursuant to the mechanisms in the Economic and Property Damages Settlement Agreement, the claims administrator sought clarification on this matter from the district court in MDL 2179 and on 5 March 2013, the district court affirmed the claims administrator's interpretation of the agreement and rejected BP's position as it relates to business economic loss claims (the "March Ruling").

BP appealed the district court's March Ruling and related rulings to the Fifth Circuit. On 2 October 2013, the business economic loss panel of the Fifth Circuit (by a 2 to 1 vote) reversed the district court's denial of BP's motion for a preliminary injunction and the district court's order affirming the claims administrator's interpretation of the settlement, remanded the case for further proceedings and ordered the district court to enter a 'narrowly-tailored' injunction that suspends payment to claimants affected by the misinterpretation issue and who do not have 'actual injury traceable to loss from the Deepwater Horizon accident.' The business economic loss panel also retained jurisdiction to review the district court's conclusions on remand.

On 18 October 2013, the district court issued a preliminary injunction that, amongst other things, required the claims administrator to temporarily suspend payments of business economic loss claims other than those claims supported by sufficiently matched accrual-basis accounting or any other business economic loss claim for which the claims administrator determines that the matching of revenue and expenses is not an issue. On 25 October 2013, the claims administrator provided a declaration outlining the criteria that the claims administrator's office will use to determine the eligibility of claims for payment. In orders dated 18 October 2013, 15 November 2013, and 22 November 2013, the district court held that causation (i.e., whether the claims administrator could properly pay business economic loss claimants whose injuries are not traceable to the spill) was not an issue for consideration on remand.

On 21 November 2013, BP filed an emergency motion to enforce the business economic loss panel's 2 October 2013 judgment and to enjoin any further payments to the business economic loss claimants whose injuries are not traceable to the spill. On 2 December 2013, the business economic loss panel of the Fifth Circuit granted BP's motion and ordered that the issue of causation again be remanded for expeditious consideration and resolution in crafting "[a] stay tailored so that those who experienced actual injury traceable to loss from the Deepwater Horizon accident continue to receive recovery but those who did not do not receive their payments until this case is fully heard and decided through the judicial process." On 5 December 2013, the district court amended its preliminary injunction related to business economic loss claims to temporarily suspend the issuance of final determination notices and payments of business economic loss claims, pending resolution of the business economic loss issues that are the subject of the pending remand.

On 24 December 2013, the district court ruled (the "December 2013 Ruling") on the two issues remanded to it in October 2013 by the business economic loss panel of the Fifth Circuit: (i) requiring the claims administrator, in administering business economic loss claims, to match revenue with corresponding variable expenses (the "Matching Issue"), and (ii) determining whether the settlement agreement can properly be interpreted to permit payment to business economic loss claimants whose losses (if any) were not caused by the spill (the "Causation Issue"). As to the Matching Issue, the District Court ordered the claims administrator to develop a revised policy addressing the matching of revenue and expenses for business economic loss claims, which would require the matching of revenue with the expenses incurred by claimants to generate that revenue, even where the revenue and expenses were recorded at different times. On 13 March 2014, the claims administrator issued a revised matching policy reflecting this order. On 19 March 2014, BP submitted its response to the revised matching policy, and the claims administrator submitted the policy to the District Court for consideration on 25 March 2014. On 5 May 2014, the District Court approved the revised policy. The PSC filed a motion on 27 May 2014 seeking to alter or amend the revised policy. On 27 June 2014, the District Court issued an order establishing the process for the parties and claims administrator to determine which already-determined but unpaid claims should be subject to the revised policy. As to the Causation Issue, the district court ruled that the Economic and Property Damages Settlement Agreement contained no causation requirement beyond the revenue and related tests set forth in an exhibit to that agreement. The district court also held that the absence of a further causation requirement does not defeat class certification or invalidate the settlement under the federal class certification rule or Article III of the US Constitution. On 30 December 2013, BP filed a motion with the Fifth Circuit requesting an injunction that would prevent the claims administrator from making awards to claimants whose alleged injuries are not fairly

traceable to the spill. In a 2 to 1 decision on 3 March 2014, the business economic loss panel affirmed the district court's ruling on causation and denied BP's motion for a permanent injunction.

BP filed a petition on 17 March 2014 requesting that all active Fifth Circuit judges review the business economic loss panel's 3 March 2014 decision. On 19 May 2014, the Fifth Circuit declined (in a 5-to-8 decision) to grant further review of the 3 March 2014 decision.

On 21 May 2014, BP asked the Fifth Circuit to stay the issuance of the mandate transferring the case back to the District Court until the Supreme Court could decide whether to review the Fifth Circuit's decision. The Fifth Circuit denied BP's request for a stay on 27 May 2014, and issued its mandate on 28 May 2014. On that same day, the District Court dissolved the injunction that had halted the processing and payment of business economic loss claims and instructed the claims administrator to resume the processing and payment of claims.

On 28 May 2014, BP filed an application with the Supreme Court seeking to recall and stay the Fifth Circuit's mandate in order to halt the processing and payment of business economic loss claims pending further review. The Supreme Court denied BP's application on 9 June 2014, and the claims administrator has continued to process and pay business economic loss claims while BP seeks Supreme Court review of the Fifth Circuit's decision.

BP's petition for review by the Supreme Court is due to be filed on or before 18 August 2014. BP intends to seek review of the Fifth Circuit's decision, as well as a related decision by a different panel of the Fifth Circuit similarly interpreting the Economic and Property Damages Settlement Agreement to permit payment to business economic loss claimants whose losses (if any) were not caused by the spill.

On 27 June 2014, BP asked the District Court to order the return of excessive payments made by the DHCSSP under the matching policy in effect before the December 2013 Ruling. BP has also requested that the District Court enter an injunction preventing the business economic loss claimants specified in its motion from spending the excessive payments until the correct compensation amount has been definitively determined under the revised matching policy. Even if the District Court enters such an order and injunction as requested by BP, there is significant uncertainty as to the amounts of any such excessive payments that may actually be recoverable by BP.

PSC settlements – investigation of the DHCSSP

On 2 July 2013, the district court in MDL 2179 appointed former federal district court judge Louis Freeh as Special Master to lead an independent investigation of the DHCSSP in connection with allegations of potential ethical violations or misconduct within the DHCSSP. On 6 September 2013, Judge Freeh submitted a written report to the district court in which he presented his findings that the conduct of two attorneys in the office of the claims administrator may have violated federal criminal statutes regarding fraud, money laundering, conspiracy or perjury. In an order issued the same day, the court instructed Judge Freeh to promptly recommend, design, and test enhanced internal compliance, anti-corruption, anti-fraud and conflicts of interest policies and procedures, and assist the claims administrator in the implementation of such policies and procedures. On 23 September 2013, BP filed a response to Judge Freeh's report and requested that the court enter a preliminary injunction temporarily suspending all payments from the DHCSSP until such time as improved anti-fraud and other efficiency controls are put in place at the DHCSSP to the satisfaction of Judge Freeh, the Claims Administrator, and the court. The court has not yet ruled on BP's request for a preliminary injunction. On 17 January 2014, Judge Freeh submitted a second written report that described the behaviour at the DHCSSP that led to the resignations of senior staff members.

PSC settlements – Seafood Compensation Fund

On 17 December 2013, BP filed a civil lawsuit in MDL 2179 against former PSC lawyer Mikal C. Watts, accusing him of having fraudulently claimed to represent more than 40,000 deckhands who allegedly suffered economic injuries as a result of the Gulf of Mexico oil spill. BP's action alleges that BP relied on Mr. Watts's representations when it agreed to pay US$2.3 billion to the Seafood Compensation Fund (the "Fund"), which was established

under the Economic and Property Damages Settlement to compensate those who earn their livelihood from Gulf waters and were directly affected by the spill, and that the Economic and Property Damages Class stands to benefit unjustly from the full distribution of the money remaining in the Fund. In addition, BP filed two motions asking the district court to suspend further distributions from the Fund and to determine the extent of the fraud and what portion, if any, of the Fund should be returned as a result. On 17 January 2014, Mr Watts filed a motion to stay the litigation pending a parallel criminal investigation and the PSC also filed a brief opposing BP's motion seeking an injunction. On 26 February 2014, the district court granted Mr Watts's motion to stay the litigation and denied BP's motion to suspend further distributions, on the basis that no further payment from the Fund is imminent. The district court deferred ruling on BP's motion seeking to determine the extent of the fraud and what portion, if any, of the seafood fund should be returned as a result.

Medical Benefits Class Action Settlement ("Medical Settlement")

The District Court approved the Medical Settlement Agreement ("MSA") in a final order and judgment on 11 January 2013. The effective date was 12 February 2014. As of 27 June 2014, the claims administrator under the Medical Settlement (the "Medical Claims Administrator") had received claim forms for certain specified physical conditions from 9,974 claimants, and thus far has determined 189 claims to be eligible for monetary compensation totalling approximately US$250,000. For those claimants seeking benefits under the periodic medical consultation program only, approximately 600 claims have been determined to be eligible. The deadline for submitting claims under the settlement is one year from the effective date. The Medical Claims Administrator has issued a policy statement, with which BP agrees, regarding the consistent treatment of all physical conditions first diagnosed after 16 April 2012 under the MSA. The PSC disagrees with the policy statement. The District Court ordered briefing on the issue, which was completed on 14 July 2014. The parties are awaiting a ruling.

State and local civil claims, including under OPA 90

On 12 August 2010, the State of Alabama filed a lawsuit seeking damages for alleged economic and environmental harms, including natural resource damages, civil penalties under state law, declaratory and injunctive relief, and punitive damages as a result of the Gulf of Mexico oil spill. On 3 March 2011, the State of Louisiana filed a lawsuit to declare various BP entities (as well as other entities) liable for removal costs and damages, including natural resource damages under federal and state law, to recover civil penalties, attorney's fees and response costs under state law, and to recover for alleged negligence, nuisance, trespass, fraudulent concealment and negligent misrepresentation of material facts regarding safety procedures and BP's (and other defendants') ability to manage the oil spill, unjust enrichment from economic and other damages to the State of Louisiana and its citizens, and punitive damages.

On 10 December 2010, the Mississippi Department of Environmental Quality issued a Complaint and Notice of Violation alleging violations of several state environmental statutes. The Louisiana Department of Environmental Quality has issued an administrative order seeking environmental civil penalties and other relief under state law. On 23 September 2011, BP removed this matter to federal district court, and it has been consolidated with MDL 2179.

District Attorneys of 11 parishes in the State of Louisiana have filed suits under state wildlife statutes seeking penalties for damage to wildlife as a result of the Gulf of Mexico oil spill. On 9 December 2011 and 28 December 2011, the district court in MDL 2179 granted BP's motions to dismiss the District Attorneys' complaints, holding that those claims are pre-empted by the Clean Water Act. All 11 of the District Attorneys of parishes in the State of Louisiana filed notices of appeal. The State of Alabama's attempt to intervene in the case was denied. Since May 2012, amicus briefs have been filed in those appeals by the states of Alabama, Louisiana, and Mississippi. Oral argument was held on 5 March 2013 and the Fifth Circuit affirmed the district court's ruling on 24 February 2014.

On 14 November 2011, the district court in MDL 2179 granted in part BP's motion to dismiss the complaints filed by the states of Alabama and Louisiana. The court's order dismissed the states' claims brought under state law,

including claims for civil penalties and the State of Louisiana's request for a declaratory judgment under the Louisiana Oil Spill Prevention and Response Act, holding that those claims were pre-empted by federal law. It also dismissed the State of Louisiana's claims of nuisance and trespass under general maritime law. The court's order further held that the states have stated claims for negligence and products liability under general maritime law, have sufficiently alleged presentment of their claims under OPA 90 and may seek punitive damages under general maritime law.

On 9 December 2011, the district court in MDL 2179 granted in part BP's motion to dismiss a master complaint brought on behalf of local government entities. The court's order dismissed the plaintiffs' state law claims and limited the types of maritime law claims the plaintiffs may pursue, but also held that the plaintiffs have sufficiently alleged presentment of their claims under OPA 90 and that certain local government entity claimants may seek punitive damages under general maritime law. The court did not, however, lift an earlier stay on the underlying individual complaints raising those claims or otherwise apply his dismissal of the master complaint to those individual complaints.

In January 2013, the states of Alabama, Mississippi and Florida submitted or asserted claims to BP under OPA 90 for alleged losses including economic losses and property damage as a result of the Gulf of Mexico oil spill. BP is evaluating these claims. The states of Louisiana and Texas have also asserted similar claims. The amounts claimed, certain of which include punitive damages or other multipliers, are very substantial. However, BP considers these claims unsubstantiated and the methodologies used to calculate these claims to be seriously flawed, not supported by OPA 90, not supported by documentation, and to substantially overstate the claims. Similar claims have also been submitted by various local government entities and a foreign government. These claims under OPA 90 are substantial in aggregate, and more claims are expected to be submitted. The amounts alleged in the submissions for state and local government claims total approximately US$35 billion. BP will defend vigorously against these claims if adjudicated at trial. Certain of these states (including the states of Alabama, Florida, Texas and Mississippi, as described below) and local government entities have filed civil lawsuits that pertain to claims asserted by them under their earlier OPA 90 submissions to BP.

In April 2013, the states of Alabama, Florida, and Mississippi each filed new actions against BP related to the Gulf of Mexico oil spill, which have been consolidated with MDL 2179. On 19 April 2013, the State of Alabama filed a new action against BP alleging general maritime law claims of negligence, gross negligence, and wilful misconduct; claims under OPA 90 seeking damages for removal costs, natural resource damages, property damage, lost tax and other revenue, and damages for providing increased public services during or after removal activities; and various state law claims. The State of Alabama's complaint also seeks punitive damages.

On 20 April 2013, the State of Florida filed suit against BP and Halliburton in federal court in Florida, and its case has also been transferred to MDL 2179. Florida's complaint alleges general maritime law claims for negligence and gross negligence; OPA 90 claims for alleged lost tax revenue and other economic damages; and various state law claims.

Florida also seeks punitive damages. The State of Mississippi filed both federal court and state court complaints in Mississippi against BP in April 2013. Mississippi's federal court complaint alleges OPA 90 claims against BP, Transocean, and Anadarko for natural resource damages, property damage, lost tax revenue, and damages for providing increased public services during or after removal activities. It asserts general maritime law claims for negligence and gross negligence against Halliburton only. Mississippi's state court complaint alleges various state law claims, including negligence, gross negligence, and willful misconduct. Both Mississippi complaints seek punitive damages. The State of Mississippi's federal court action and state court action have both been consolidated with MDL 2179.

On 17 May 2013, the State of Texas filed suit against BP and others in federal court in Texas. Its complaint asserts claims under OPA 90 for natural resource damages and lost sales tax and state park revenue; claims for natural

resource damages under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"); and claims for natural resource damages, cost recovery, civil penalties, and economic damages under state environmental statutes. The State of Texas's action has been consolidated with MDL 2179.

On 14 January 2014, the district court in MDL 2179 set a briefing schedule, to be completed by 28 March 2014, for BP's motion to strike the State of Alabama's jury trial demand as to its claim for compensatory damages under OPA 90 which BP then filed on 14 February 2014.

On 5 March 2014, the State of Florida filed a lawsuit to declare various BP entities (and other entities) liable for removal costs and natural resource damages.

OPA Test Case Proceedings

On 3 June 2014 the District Court entered an Agreed Upon Scheduling Order (the "OPA Scheduling Order") for seven test cases ("OPA Test Cases") regarding claims under the OPA 90. The OPA Test Cases will address certain OPA 90 liability questions for the District Court focusing on, among other issues, whether plaintiffs' alleged losses tied to the 2010 federal government moratoria on deepwater drilling "arise from" or are "due to" the Gulf of Mexico oil spill. The OPA Scheduling Order provides for fact and expert discovery up to March 2015. At the conclusion of discovery, the parties will have an opportunity to file summary judgment briefs, followed by trial, if necessary, no earlier than the third quarter of 2015. The District Court has not yet set any trial dates for the OPA Test Cases.

State of Alabama Damages Case Proceedings

On 16 July 2014 the District Court issued a scheduling order for the State of Alabama's OPA economic damages claims against BP and other parties, with fact and expert discovery into 2015 and a request by the District Court for the parties to set aside the month of November 2015 for a trial.

Agreement for early natural resource restoration

On 21 April 2011, BP announced an agreement with natural resource trustees for the US and five Gulf Coast states, providing for up to US$1 billion to be spent on early restoration projects to address natural resource injuries resulting from the Gulf of Mexico oil spill. Funding for these projects will come from the US$20 billion trust fund. As of December 2013, BP and the trustees had reached agreement, or agreement in principle, on a total of 54 early restoration projects that are expected to cost approximately US$698 million. These include 10 projects that are already in place or under way, and 44 projects that are subject to a further regulatory review and public comment process and further trustee approval before they may proceed.

Other civil complaints

On 26 August 2011, the district court in MDL 2179 granted in part BP's motion to dismiss a master complaint raising claims for economic loss by private plaintiffs, dismissing the plaintiffs' state law claims and limiting the types of maritime law claims the plaintiffs may pursue, but also held that certain classes of claimants may seek punitive damages under general maritime law. The court did not, however, lift an earlier stay on the underlying individual complaints raising those claims or otherwise apply its dismissal of the master complaint to those individual complaints.

On 30 September 2011, the court granted in part BP's motion to dismiss a master complaint asserting personal injury claims on behalf of persons exposed to crude oil or chemical dispersants, dismissing the plaintiffs' state law claims, claims by seamen for punitive damages, claims for medical monitoring damages by asymptomatic plaintiffs, claims for battery and nuisance under maritime law, and claims alleging negligence per se. As with its other rulings on motions to dismiss master complaints, the court did not lift an earlier stay on the underlying individual complaints raising those claims or otherwise apply its dismissal of the master complaint to those individual complaints.

Citizens groups have also filed either lawsuits or notices of intent to file lawsuits seeking civil penalties and injunctive relief under the Clean Water Act and other environmental statutes. On 16 June 2011, the district court in MDL 2179 granted BP's motion to dismiss a master complaint raising claims for injunctive relief under various federal environmental statutes brought by various citizens groups and others.

The court did not, however, lift an earlier stay on the underlying individual complaints raising those claims for injunctive relief or otherwise apply its dismissal of the master complaint to those individual complaints. In addition, a different set of environmental groups filed a motion to reconsider dismissal of their Endangered Species Act claims on 14 July 2011. That motion remains pending.

On 31 January 2012, the district court in MDL 2179, on motion by the Center for Biological Diversity, entered final judgment on the basis of the 16 June 2011 order with respect to two actions brought against BP by that plaintiff. On 2 February 2012, the Center for Biological Diversity filed a notice of appeal of both actions to the Fifth Circuit. Following oral argument, the Fifth Circuit ruled in BP's favour on 9 January 2013 in virtually all respects, though it remanded the Center for Biological Diversity's claim under the Emergency Planning and Community Right to Know Act ("EPCRA") to the district court. On 22 January 2013, the Center for Biological Diversity filed a Petition for Panel Rehearing in the Fifth Circuit, which was denied on 4 February 2013. In January 2014, the district court in MDL 2179 set a schedule for proceedings on remand of the EPCRA claim under which limited discovery has taken place, and the parties will be briefing cross-motions for summary judgment to be fully briefed by 19 May 2014.

On 11 July 2012, BP filed motions to dismiss several categories of claims in MDL 2179 that were not covered by the Economic and Property Damages Settlement. On 1 October 2012, the court granted BP's motion, dismissing (i) claims alleging a reduction in the value of real property caused by the oil spill or other contaminant where the property was not physically touched by the oil and the property was not sold; (ii) claims by or on behalf of entities marketing BP-branded fuels that they have suffered damages, including loss of business, income, and profits, as a result of the loss of value to the 'BP' brand or name; and (iii) claims by or on behalf of recreational fishermen, recreational divers, beachgoers, recreational boaters, and similar claimants, that they have suffered damages that include loss of enjoyment of life from the inability to use of the Gulf of Mexico for recreation and amusement purposes. The judge did not, however, lift an earlier stay on the underlying individual complaints raising those claims or otherwise apply his dismissal of those categories of claims to those individual complaints. This order was appealed to the Fifth Circuit, but the appeal was ultimately dismissed on 14 May 2013 for lack of jurisdiction.

Halliburton lawsuits

On 19 April 2011, Halliburton filed a lawsuit in Texas state court seeking indemnification from BPXP for certain tort and pollution-related liabilities resulting from the Gulf of Mexico oil spill. On 3 May 2011, BPXP removed Halliburton's case to federal court, and on 9 August 2011, the action was transferred to MDL 2179.

On 1 September 2011, Halliburton filed an additional lawsuit against BP in Texas state court alleging that BP did not identify the existence of a purported hydrocarbon zone at the Macondo well to Halliburton in connection with Halliburton's cement work performed before the Gulf of Mexico oil spill and that BP has concealed the existence of this purported hydrocarbon zone following the Gulf of Mexico oil spill. Halliburton claims that the alleged failure to identify this information has harmed its business ventures and reputation and resulted in lost profits and other damages. On 7 February 2012, the lawsuit was transferred to MDL 2179.

Racketeer-Influenced and Corrupt Organizations Act ("RICO") lawsuits

BP has been named in several lawsuits alleging claims under RICO. On 15 July 2011, the district court granted BP's motion to dismiss a master complaint raising RICO claims against BP. The court's order dismissed the claims of the plaintiffs in four RICO cases encompassed by the master complaint.

Non-US government lawsuits

On 15 September 2010, three Mexican states bordering the Gulf of Mexico (Veracruz, Quintana Roo, and Tamaulipas) filed lawsuits in federal court in Texas against several BP entities. These lawsuits were subsequently transferred to MDL 2179 on 4 November 2010. These lawsuits allege that the Gulf of Mexico oil spill harmed their tourism, fishing, and commercial shipping industries (resulting in, among other things, diminished tax revenue), damaged natural resources and the environment, and caused the states to incur expenses in preparing a response to the Gulf of Mexico oil spill. On 9 December 2011, the district court in MDL 2179 granted in part BP's motion to dismiss the three Mexican states' complaints, dismissing their claims under OPA 90 and for nuisance and negligence per se, and preserving their claims for negligence and gross negligence only to the extent there has been a physical injury to a proprietary interest of the states. BP, other defendants and the three Mexican states filed cross-motions for summary judgment on 4 January 2013 on the issue of whether the Mexican states have a proprietary interest in the matters asserted in their complaints. The district court heard oral argument on the cross-motions on 27 June 2013, and on 6 September 2013 the court granted defendants' motions. On 12 September 2013, the court issued a final judgment dismissing the three Mexican states' claims with prejudice. On 4 October 2013, the three Mexican states filed notices of appeal from the judgment to the Fifth Circuit.

On 5 April 2011, the State of Yucatan submitted a claim to the Gulf Coast Claims Facility alleging potential damage to its natural resources and environment, and seeking to recover the cost of assessing the alleged damage. On 18 September 2013, the State of Yucatan filed suit against BP in federal court in Florida, and, on 13 December 2013, its action was transferred to MDL 2179. On 19 April 2013, the Mexican federal government filed a civil action against BP and others in MDL 2179. The complaint seeks a determination that each defendant bears liability under OPA 90 for damages that include the costs of responding to the spill; natural resource damages allegedly recoverable by Mexico as an OPA 90 trustee; and the net loss of taxes, royalties, fees, or net profits.

Insurance-related matters

On 1 March 2012, the district court in MDL 2179 issued a partial final judgment dismissing with prejudice certain claims by BP, Anadarko and MOEX for additional insured coverage under insurance policies issued to Transocean for the sub-surface pollution liabilities BP, Anadarko and MOEX have incurred and will incur with respect to the Macondo well oil release. BP filed a notice of appeal from the district court's judgment to the Fifth Circuit and on 1 March 2013, the Fifth Circuit reversed the district court's judgment, rejecting the district court's ruling that the insurance that BP is entitled to receive as an additional insured under the Transocean insurance policies at issue is limited to the scope of the indemnity in the drilling contract between BP and Transocean. On 29 August 2013, the Fifth Circuit withdrew its 1 March 2013 opinion and certified two questions of Texas law at issue in the appeal to the Supreme Court of Texas. The Supreme Court of Texas accepted the certification.

False Claims Act actions

BP is aware that actions have been or may be brought under the Qui Tam (whistle-blower) provisions of the False Claims Act ("FCA"). On 17 December 2012, the court ordered unsealed one complaint that had been filed in the US District Court for the Eastern District of Louisiana by an individual under the FCA's Qui Tam provisions. The complaint alleged that BP and another defendant had made false reports and certifications of the amount of oil released into the Gulf of Mexico following the Gulf of Mexico oil spill. On 17 December 2012, the DoJ filed with the court a notice that the DoJ elected to decline to intervene in the action. On 31 January 2013, the complaint was transferred to MDL 2179 and remains stayed.

MDL 2185 and other securities-related litigation

Since the Gulf of Mexico oil spill, shareholders have sued BP and various of its current and former officers and directors asserting shareholder derivative claims and class and individual securities fraud claims. Many of these lawsuits have been consolidated or co-ordinated in MDL 2185.

Shareholder derivative litigation

Shareholder derivative lawsuits related to the Gulf of Mexico oil spill have been filed in US federal and state courts against various current and former officers and directors of BP alleging, among other things, breach of fiduciary duty, gross mismanagement, abuse of control and waste of corporate assets.

On 15 September 2011, the district court in MDL 2185 granted BP's motion to dismiss the pending consolidated shareholder derivative litigation on the grounds that the courts of England are the appropriate forum for the litigation. On 8 December 2011, a final judgment was entered dismissing the shareholder derivative case and, on 3 January 2012, one of the derivative plaintiffs filed a notice of appeal to the Fifth Circuit. On 16 January 2013, the Fifth Circuit affirmed dismissal of the action. All of the state court derivative actions have been dismissed based on the final outcome of the federal case.

Securities class action

On 13 February 2012, the district court in MDL 2185 issued two decisions on the defendants' motions to dismiss the two consolidated securities fraud complaints filed on behalf of purported classes of BP ordinary shareholders and American depositary share ("ADS") holders. The court dismissed all of the claims of the ordinary shareholders, dismissed the claims of the lead class of ADS holders against most of the individual defendants while holding that a subset of the claims against two individual defendants and the corporate defendants could proceed, and dismissed all of the claims of a smaller purported subclass with leave to re-plead in 20 days. On 2 April 2012, the plaintiffs in the lead class and subclass filed an amended consolidated complaint with claims based on (i) the 12 alleged misstatements that the court held were actionable in its February 2012 order on BP's motion to dismiss the earlier complaints; and (ii) 13 alleged misstatements concerning BP's operating management system that the judge either rejected with leave to re-plead or did not address in his February decisions. On 2 May 2012, defendants moved to dismiss the claims based on the 13 statements in the amended complaint that the judge did not already rule are actionable. On 6 February 2013, the court granted in part this motion to dismiss, rejecting the plaintiffs' claims based on 10 of the 17 statements at issue in the motion and also dismissing all claims against former BP employee Andrew Inglis. On 6 December 2013, the court denied the plaintiffs' motion for class certification and gave the plaintiffs 30 days to renew that motion, and the plaintiffs renewed their motion on 6 January 2014. On 20 May 2014, the judge denied plaintiffs' motion to certify a proposed class of ADS purchasers before the Deepwater Horizon explosion (from 8 November 2007 to 20 April 2010) and granted plaintiffs' motion to certify a class of post-explosion ADS purchasers from 26 April 2010 to 28 May 2010. Both parties sought permission to appeal from that decision, and on 3 July 2014, the Fifth Circuit granted both parties' requests. Briefing on that appeal is expected to proceed in the upcoming months. On 20 December 2013, the court revised the schedule for the action and set a trial date for 14 October 2014.

Individual securities litigation

In April and May 2012, six cases (three of which were consolidated into one action) were filed in state and federal courts by one or more state, county or municipal pension funds against BP entities and several current and former officers and directors seeking damages for alleged losses those funds suffered because of their purchases of BP ordinary shares and, in two cases, ADSs. The funds assert various state law and federal law claims. From July 2012 to November 2013, 15 additional cases were filed in Texas state and federal courts (later consolidated into 12 actions) by pension or investment funds or advisers against BP entities and current and former officers and directors, asserting state law and other claims and seeking damages for alleged losses that those funds suffered because of their purchases of BP ordinary shares and/or ADSs, and one case was filed in New York federal court by funds that purchased BP ordinary shares and ADSs, asserting state and federal law claims. All of the cases have been transferred to federal court in Houston and, with the exception of one case that has been stayed, the judge presiding over MDL 2185. One case was voluntarily dismissed on 9 May 2013. On 3 October 2013, the judge granted in part and denied in part the defendants' motion to dismiss three of the remaining 29 cases. A subset of the

claims was dismissed. The judge held that English law governs the plaintiffs' remaining claims (with the exception of the federal law claims based on purchases of ADSs and a potential claim under Ohio state law against BP. by certain Ohio funds). On 11 December 2013, defendants moved to dismiss 10 of the remaining cases and answered the complaints in two others. On 5 December 2013, the Ohio funds (plaintiffs in one of the first three cases defendants moved to dismiss) filed an amended complaint withdrawing their English law claim and asserting only a claim under Ohio state law. On 6 January 2014, BP moved to dismiss that case for a second time and on April 7, 2014, the judge dismissed the Ohio action with leave to replead English law claims within 30 days. On 8 June 2014, the Ohio funds filed a second amended complaint asserting only English law claims. On 22 July 2014, BP moved to dismiss the case again.

Eleven additional cases have been filed in Texas federal court, three cases have been filed in Texas state court, and one case was filed in New York federal court, by pension or investment funds or advisers against BP entities and current and former officers and directors, asserting state, federal, and foreign law claims and seeking damages for alleged losses that those funds suffered because of their purchases of BP ordinary shares and/or ADSs.

Canadian class action

On 20 July 2012, a BP entity received an amended statement of claim for an action in Alberta, Canada, filed by three plaintiffs seeking to assert claims under Canadian law against BP on behalf of a class of Canadian residents who allegedly suffered losses because of their purchase of BP ordinary shares and ADSs. This case was dismissed on jurisdictional grounds on 14 November 2012. On 15 November 2012, one of the plaintiffs re-filed a statement of claim against BP in Ontario, Canada, seeking to assert the same claims under Canadian law against BP on behalf of a class of Canadian residents. BP moved to dismiss that action for lack of jurisdiction, and on 9 October 2013 the Ontario court denied BP's motion. On 7 November 2013, BP filed a notice of appeal from that decision, and filed its papers on that appeal on 19 December 2013.

Dividend-related proceedings

On 5 July 2012, the district court in MDL 2185 issued a decision granting BP's motion to dismiss, for lack of personal jurisdiction, the lawsuit against BP. for cancelling its dividend payment in June 2010. On 10 August 2012, the plaintiffs filed an amended complaint, which BP moved to dismiss on 9 October 2012. On 12 April 2013, the court granted BP's motion and dismissed the lawsuit for lack of personal jurisdiction and on the alternative grounds of failure to state a claim and that the courts of England are the more appropriate forum for the litigation. On 16 June 2013, the court granted the plaintiff's motion to amend its decision so as to eliminate the alternative grounds for dismissal. On 22 November 2013, the plaintiffs filed a new and substantially identical action against BP in federal court in New York, which was transferred to the judge presiding over MDL 2185. BP moved to dismiss that new action on 19 February 2014.

ERISA

On 30 March 2012, the district court in MDL 2185 issued a decision granting the defendants' motions to dismiss the ERISA case related to BP share funds in several employee benefit savings plans. On 11 April 2012, the plaintiffs requested leave to file an amended complaint, which was denied on 27 August 2012. Final judgment dismissing the case was entered on 4 September 2012 and, on 25 September 2012, the plaintiffs filed a notice of appeal to the Fifth Circuit. On 15 July 2014, the Fifth Circuit remanded the case to the district court in light of new pleading standards recently set forth by the Supreme Court. BP intends to renew its motion to dismiss in the district court.

Settlements with the DoJ and SEC

On 1 June 2010, the DoJ announced that it was conducting an investigation into the Gulf of Mexico oil spill encompassing possible violations of US civil or criminal laws, and subsequently created a unified task force of federal agencies to investigate the Gulf of Mexico oil spill. On 15 November 2012, BP announced that it reached

agreement with the US government, subject to court approval, to resolve all federal criminal charges and all claims by the SEC against BP arising from the Deepwater Horizon accident, oil spill and response.

On 29 January 2013, the US District Court for the Eastern District of Louisiana accepted BP's pleas regarding the federal criminal charges, and BP was sentenced in connection with the criminal plea agreement. BP pleaded guilty to 11 felony counts of Misconduct or Neglect of Ships Officers relating to the loss of 11 lives; one misdemeanour count under the Clean Water Act; one misdemeanour count under the Migratory Bird Treaty Act; and one felony count of obstruction of Congress.

Pursuant to that sentence, BP will pay US$4 billion, including US$1,256 million in criminal fines, in instalments over a period of five years. Under the terms of the criminal plea agreement, a total of US$2,394 million will be paid to the National Fish & Wildlife Foundation ("NFWF") over a period of five years. In addition, US$350 million will be paid to the National Academy of Sciences ("NAS") over a period of five years. BP made its required payments that were due by 30 March and 29 April 2013 and 29 January 2014, totalling US$926 million. The next scheduled payments under the plea agreement total US$595 million and are due by 29 January 2015.

The court also ordered, as previously agreed with the US government, that BP serve a term of five years' probation. Pursuant to the terms of the plea agreement, the court also ordered certain equitable relief, including additional actions, enforceable by the court, to further enhance the safety of drilling operations in the Gulf of Mexico. These requirements relate to BP's risk management processes, such as third party auditing and verification, BP's oil spill response plan, training, and well control equipment and processes such as blowout preventers and cementing. BP has also agreed to maintain a real-time drilling operations monitoring centre in Houston or another appropriate location. In addition, BP will undertake several initiatives with academia and regulators to develop new technologies related to deepwater drilling safety.

The resolution also provides for the appointment of two monitors, both with terms of up to four years. A process safety monitor will review, and provide recommendations concerning BPXP's process safety and risk management procedures for deepwater drilling in the Gulf of Mexico. An ethics monitor will review and provide recommendations concerning BP's ethics and compliance programme. BP has also agreed to retain an independent third-party auditor who will review and report to the probation officer, the DoJ and BP regarding BPXP's compliance with the key terms of the plea agreement including the completion of safety and environmental management systems audits, operational oversight enhancements, oil spill response training and drills and the implementation of best practices. Under the plea agreement, BP has also agreed to co-operate in ongoing criminal actions and investigations, including prosecutions of four former employees who have been separately charged.

In its resolution with the SEC, BP has resolved the SEC's Deepwater Horizon-related claims against the company under Sections 10(b) and 13(a) of the Securities Exchange Act of 1934 and the associated rules. BP has agreed to a civil penalty of US$525 million, payable in three instalments over a period of three years, and has consented to the entry of an injunction prohibiting it from violating certain US securities laws and regulations. The SEC's claims are premised on oil flow rate estimates contained in three reports provided by BP to the SEC during a one-week period (on 29 and 30 April 2010 and 4 May 2010), within the first 14 days after the accident. BP's consent was incorporated in a final judgment and court order on 10 December 2012, and BP made its first payment of US$175 million on 11 December 2012 and its second payment of US$175 million on 1 August 2013. The final instalment of US$175 million, plus accrued interest, is due on 1 August 2014.

BP's November 2012 agreement with the US government does not resolve the DoJ's civil claims, such as claims for civil penalties under the Clean Water Act or claims for natural resource damages under OPA 90. Neither does it resolve the private securities claims pending in MDL 2185.

US Environmental Protection Agency matters

On 28 November 2012, the US Environmental Protection Agency ("EPA") notified BP that it had temporarily suspended BP, BPXP and a number of other BP subsidiaries from participating in new federal contracts. As a result of the temporary suspension, the BP entities listed in the notice were ineligible to receive any US government contracts either through the award of a new contract, or the extension of the term of or renewal of an expiring contract.

In addition, the charges to which BPXP pleaded guilty included one misdemeanour count under the Clean Water Act that, by operation of law, triggered a statutory debarment, also referred to as mandatory debarment, of the facility where the Clean Water Act violation occurred. On 1 February 2013, the EPA issued a notice that BPXP was mandatorily debarred at its Houston headquarters. Mandatory debarment prevents a company from entering into new contracts or new leases with the US government that would be performed at the facility where the Clean Water Act violation occurred.

On 15 February 2013, BP filed an administrative challenge with the EPA seeking to lift the 28 November 2012 suspension of 22 BP entities and the 1 February 2013 mandatory debarment of BPXP at its Houston headquarters. On 19 July 2013, the EPA affirmed its suspension and mandatory debarment decisions. On 12 August 2013, BP filed a lawsuit in the US District Court for the Southern District of Texas challenging the EPA's suspension and mandatory debarment decisions.

On 26 November 2013, the EPA issued a Notice of Continued Suspensions and Proposed Debarments that continued the suspensions of the previously suspended BP entities, suspended two new BP entities (BP Alternative Energy and BP Pipelines (Alaska) Inc.), and proposed discretionary debarment of all suspended BP entities.

On 13 March 2014, BP, BPXP, and all other temporarily suspended BP entities entered into an administrative agreement with the EPA resolving all issues related to suspension or debarment arising from the Gulf of Mexico oil spill, allowing BP entities to enter into new contracts or leases with the United States Government. Under the terms and conditions of the administrative agreement, which will apply for five years, BP has agreed to a set of safety and operations, ethics and compliance and corporate governance requirements.

As a result of the agreement, on 19 March 2014, BP dismissed its lawsuit against the EPA filed in the Southern District of Texas.

US Department of Interior matters

On 14 September 2011, the US Coast Guard and Bureau of Ocean Energy Management, Regulation and Enforcement ("BOEMRE") issued a report regarding the causes of the 20 April 2010 Macondo well blowout (the "BOEMRE Report"). The BOEMRE Report states that decisions by BP, Halliburton and Transocean increased the risk or failed to fully consider or mitigate the risk of a blowout on 20 April 2010. The BOEMRE Report also states that BP, Transocean and Halliburton violated certain regulations related to offshore drilling. In itself, the BOEMRE Report does not constitute the initiation of enforcement proceedings relating to any violation. On 12 October 2011, the US Department of the Interior Bureau of Safety and Environmental Enforcement issued to BPXP, Transocean, and Halliburton Notification of Incidents of Noncompliance ("INCs"). The notification issued to BPXP is for a number of alleged regulatory violations concerning Macondo well operations. The Department of Interior has indicated that this list of violations may be supplemented as additional evidence is reviewed, and on 7 December 2011, the Bureau of Safety and Environmental Enforcement issued to BPXP a second INC.

This notification was issued to BP for five alleged violations related to drilling and abandonment operations at the Macondo well. BP has filed an administrative appeal with respect to the first and second INCs. BP has filed a joint stay of proceedings with the Department of Interior with respect to both INCs.

Louisiana Department of Natural Resources

On 21 August 2013, the Louisiana Department of Natural Resources ("LDNR") issued a Cease and Desist Order (the "Order") directing BP to apply for a Coastal Use Permit to remove certain 'orphan' anchors that had been placed in coastal waters to secure containment boom during oil spill response operations in 2010. On 6 September 2013, BP sent a letter to the LDNR observing that the Order is pre-empted by federal law and would require the consent of the Federal On-Scene Coordinator following a net environmental benefits analysis. BP has requested that the LDNR withdraw the Order or initiate a judicial hearing. The LDNR has yet to withdraw the Order or initiate a judicial hearing, but responded on 17 September 2013 that the Order will not take effect unless and until the LDNR assesses costs or penalties or files a lawsuit. On 18 September 2013, BP filed a complaint in the US District Court for the Middle District of Louisiana seeking to enjoin the State of Louisiana from enforcing the Order on grounds of federal pre-emption. The LDNR moved to dismiss BP's complaint on 5 November 2013, and BP filed a motion for summary judgment on 18 December 2013. Briefing on the motions is now complete.

Non-US lawsuits

Mexico

On 18 October 2012, before a Mexican Federal District Court located in Mexico City, a class action complaint was filed against BPXP, BP America Production Company, and other BP subsidiaries. The plaintiffs, consisting of fishermen and other groups, are seeking, among other things, compensatory damages for the class members who allegedly suffered economic losses, as well as an order requiring BP to remediate environmental damage resulting from the Gulf of Mexico oil spill, to provide funding for the preservation of the environment and to conduct environmental impact studies in the Gulf of Mexico for the next 10 years. The plaintiffs did not properly serve the BP entities named as defendants and, on 20 January 2014, the plaintiffs voluntarily dismissed their action.

Ecuador

A claim was commenced against BP by a group of claimants on 26 July 2012 in Ecuador. The majority of the claimants represent local non-governmental organisations. The claim alleges that through the Gulf of Mexico oil spill and BP's response to it, BP violated the "rights of nature". The claim is not monetary but rather seeks injunctive relief. Two previous claims on identical grounds were dismissed at an early stage by the Ecuadorian courts. On 3 December 2012, the Ecuadorian court of first instance dismissed the claim. On 7 December 2012, the claimants filed a timely notice of appeal to the Ecuadorian court of second instance. On 28 February 2013, the court affirmed the dismissal by the lower court.

Pending Investigations and reports relating to the Gulf of Mexico Oil Spill

CSB investigation

The US Chemical Safety and Hazard Investigation Board ("CSB") is conducting an investigation of the incident that is focused on the explosions and fire, and not the resulting oil spill or response efforts. As part of this effort, on 24 July 2012, the CSB conducted a hearing at which it released its preliminary findings on, among other things, the use of safety indicators by industry (including BP and Transocean) and government regulators in offshore operations prior to the Gulf of Mexico oil spill. On 30 March 2013, a ruling was issued in the CSB's pending enforcement action against Transocean in federal district court in the Southern District of Texas holding that the CSB has jurisdiction to investigate the Deepwater Horizon accident and its subpoenas are valid and enforceable. On 3 May 2013, Transocean appealed to the Fifth Circuit. That appeal is currently pending. On 20 June 2013, the CSB sent BP a letter stating that BP must comply with the outstanding document subpoenas. BP is producing documents in compliance with the CSB's document subpoenas. Separately the CSB released the first two volumes of its four-volume report on its investigation into the Gulf of Mexico oil spill at a public hearing in Houston on 5 June 2014. The first two volumes provide an introduction to the Gulf of Mexico oil spill as well as the CSB's

findings regarding the operation of the blowout preventer and other technical issues. The CSB has stated that it plans to release Volume 3 (concerning the role of the regulator in the oversight of the offshore industry) and Volume 4 (concerning organisational and cultural factors) later in 2014.

National Academy of Engineering/National Research Council report

A committee of the National Academy of Engineering/National Research Council that had been reviewing methods for assessing impacts on natural resources issued its final report on 10 July 2013. The report endorses use of an "ecosystems services approach", and discusses additional data, models, research, and analysis that potentially would be needed in order to apply the approach to the Deepwater Horizon oil spill.

Other legal proceedings

US Federal Energy Regulatory Commission ("FERC") and US Commodity Futures Trading Commission ("CFTC") matters

The FERC and the CFTC have been investigating several BP entities regarding trading in the next-day natural gas market at Houston Ship Channel during September, October and November 2008. The FERC Office of Enforcement staff notified BP on 12 November 2010 of their preliminary conclusions relating to alleged market manipulation in violation of 18 Code of Federal Regulations Sec. 1c.1. On 30 November 2010, CFTC enforcement staff also provided BP with a notice of intent to recommend charges based on the same conduct alleging that BP engaged in attempted market manipulation in violation of Section 6(c), 6(d), and 9(a)(2) of the Commodity Exchange Act. On 23 December 2010, BP submitted responses to the FERC and CFTC November 2010 notices providing a detailed response that it did not engage in any inappropriate or unlawful activity. On 28 July 2011, FERC staff issued a Notice of Alleged Violations stating that it had preliminarily determined that several BP entities fraudulently traded physical natural gas in the Houston Ship Channel and Katy markets and trading points to increase the value of their financial swing spread positions. On 5 August 2013, the FERC issued an Order to Show Cause and Notice of Proposed Penalty directing BP to respond to a FERC enforcement staff report, which FERC issued on the same day, alleging that BP manipulated the next-day, fixed price gas market at Houston Ship Channel from mid-September 2008 to 30 November 2008. The FERC enforcement staff report proposes a civil penalty of US$28 million and the surrender of US$800,000 of alleged profits. BP filed its answer on 4 October 2013 denying the allegations and moving for dismissal.

CSB matters

On 23 March 2005, an explosion and fire occurred at the Texas City refinery. Fifteen workers died in the incident and many others were injured. BP Products North America, Inc. ("BP Products") has resolved all civil injury claims and all civil and criminal governmental claims arising from the March 2005 incident.

In March 2007, the CSB issued a report on the incident. The report contained recommendations to the Texas City refinery and to the board of directors of BP. To date, the CSB has accepted that the majority of BP's responses to its recommendations have been satisfactorily addressed. BP and the CSB are continuing to discuss the remaining open recommendations with the objective of the CSB agreeing to accept these as satisfactorily addressed as well.

US Occupational Safety and Health Administration ("OSHA") matters

On 29 October 2009, the OSHA issued citations to the Texas City refinery related to the Process Safety Management ("PSM") standard. On 12 July 2012, OSHA and BP resolved 409 of the 439 citations. The agreement required that BP pay a civil penalty of US$13,027,000 and that BP abate the alleged violations by 31 December 2012. BP completed these requirements and the agreement has terminated. The settlement excluded 30 citations for which BP and OSHA could not reach agreement. However, the parties agreed that BP's penalty liability will not exceed US$1 million if those citations are resolved through litigation. On 4 March 2014, the parties reached

agreement in relation to the remaining Texas City citations. The agreement, which is subject to approval by an Administrative Law Judge from the OSH Review Commission, links the outcome of the remaining Texas City citations to the ultimate outcome of the remaining Toledo citations. If the 31 July 2013 decision of the Administrative Law Judge in relation to the remaining Toledo citations is ultimately upheld, OSHA has agreed to dismiss the remaining Texas City citations. If the 31 July 2013 decision is ultimately overturned, BP has agreed to pay a penalty not exceeding US$1 million to resolve the remaining Texas City citations.

On 8 March 2010, OSHA issued 65 citations to BP Products and BP-Husky for alleged violations of the PSM standard at the Toledo refinery, with penalties of approximately US$3 million. These citations resulted from an inspection conducted pursuant to OSHA's Petroleum Refinery Process Safety Management National Emphasis Program. Both BP Products and BP-Husky contested the citations. The parties resolved 23 citations in a pre-trial settlement for an aggregate amount of US$45,000. A trial of the remaining 42 citations was completed in June 2012 before an administrative law judge from the OSH Review Commission. The administrative law judge rendered her decision on 31 July 2013. Of the 42 remaining citations, OSHA voluntarily dismissed one of them and the judge vacated 36 additional citations. The remaining five citations were downgraded and assessed an aggregate penalty of US$35,000. In addition, the judge accepted the parties' pre-trial settlement of the 23 citations. As a result of the settlement and the judge's decision, the total penalty in respect of the citations was reduced from the original amount of approximately US$3 million to US$80,000. The Review Commission is not expected to issue its decision until 2015.

Texas City flaring event

A flaring event occurred at the Texas City refinery in April and May 2010. This flaring event is the subject of civil lawsuit claims for personal injury and, in some cases, property damage by roughly 50,000 individuals. These lawsuit claims have been consolidated in a Texas multi-district litigation proceeding in Galveston, Texas. The first trial in the matter began in September 2013 and was completed in October 2013. Of the six plaintiffs initially scheduled for trial, two filed nonsuits before trial, the claims of one plaintiff were dismissed by the court on directed verdict, and the jury awarded no damages to the remaining three plaintiffs. The second trial in the matter is scheduled to begin on 15 September 2014. In addition, this flaring event and other refinery emissions from December 2008 through to 2010 were the subject of a purported class action, on behalf of some local residential property owners, filed in US federal district court in Galveston. The court denied the plaintiffs' class certification motion on 2 October 2013, and the plaintiffs dismissed their complaint on 4 December 2013. The flares involved in this event are also the subject of a federal government enforcement action. BP retained these liabilities when it sold the Texas City refinery.

Prudhoe Bay leak

In March and August 2006, oil leaked from oil transit pipelines operated by BP Exploration (Alaska) Inc. ("BPXA") at the Prudhoe Bay unit on the North Slope of Alaska. On 12 May 2008, a BP. shareholder filed a consolidated complaint alleging violations of federal securities law on behalf of a putative class of BP. shareholders against BP, BPXA, BP America Inc., and four officers of the companies, based on alleged misrepresentations concerning the integrity of the Prudhoe Bay pipeline before its shutdown on 6 August 2006. On 8 February 2010, the US Court of Appeals for the Ninth Circuit (the "Ninth Circuit") accepted BP's appeal from a decision of the lower court granting in part and denying in part BP's motion to dismiss the lawsuit. On 29 June 2011, the Ninth Circuit ruled in BP's favour that the filing of a trust related agreement with the SEC containing contractual obligations on the part of BP was not a misrepresentation which violated federal securities laws. The BP. shareholder filed an amended complaint, in response to which BP filed a new motion to dismiss, which was granted by the trial court on 14 March 2012. The plaintiff appealed the court's dismissal of the case, and on 13 February 2014 the Ninth Circuit affirmed in part and reversed in part, ruling that claims based on four alleged misrepresentations should not have been dismissed. The case has been remanded to the trial court for further proceedings.

Exxon Valdez matters

Approximately 200 lawsuits were filed in state and federal courts in Alaska seeking compensatory and punitive damages arising out of the Exxon Valdez ("Exxon") oil spill in Prince William Sound in March 1989. Most of those suits named Exxon (now ExxonMobil), Alyeska Pipeline Service Company ("Alyeska"), which operates the oil terminal at Valdez, and the other oil companies that own Alyeska. Alyeska initially responded to the spill until the response was taken over by Exxon. BP owns a 46.9 per cent. interest (reduced during 2001 from 50 per cent. by a sale of 3.1 per cent. to Phillips) in Alyeska through a subsidiary of BP America Inc. and briefly indirectly owned a further 20 per cent. interest in Alyeska following BP's combination with Atlantic Richfield Company ("Atlantic Richfield"). Alyeska and its owners have settled all the claims against them under these lawsuits. Exxon has indicated that it may file a claim for contribution against Alyeska for a portion of the costs and damages that it has incurred. If any claims are asserted by Exxon that affect Alyeska and its owners, BP will defend the claims vigorously.

Lead paint matters

Since 1987, Atlantic Richfield, a subsidiary of BP, has been named as a co-defendant in numerous lawsuits brought in the US alleging injury to persons and property caused by lead pigment in paint. The majority of the lawsuits have been abandoned or dismissed against Atlantic Richfield. Atlantic Richfield is named in these lawsuits as alleged successor to International Smelting and Refining and another company that manufactured lead pigment during the period 1920-1946. The plaintiffs include individuals and governmental entities. Several of the lawsuits purport to be class actions. The lawsuits seek various remedies including compensation to lead-poisoned children, cost to find and remove lead paint from buildings, medical monitoring and screening programmes, public warning and education of lead hazards, reimbursement of government healthcare costs and special education for lead-poisoned citizens and punitive damages. No lawsuit against Atlantic Richfield has been settled nor has Atlantic Richfield been subject to a final adverse judgment in any proceeding. The amounts claimed and, if such suits were successful, the costs of implementing the remedies sought in the various cases could be substantial. While it is not possible to predict the outcome of these legal actions, Atlantic Richfield believes that it has valid defences. It intends to defend such actions vigorously and believes that the incurrence of liability is remote. Consequently, BP believes that the impact of these lawsuits on the BP Group's results, financial position or liquidity will not be material.

Abbott Atlantis related matters

In April 2009, Kenneth Abbott, as relator, filed a US False Claims Act lawsuit against BP, alleging that BP violated federal regulations, and made false statements in connection with its compliance with those regulations, by failing to have necessary documentation for the Atlantis subsea and other systems. BP is the operator and 56 per cent. interest owner of the Atlantis unit in production in the Gulf of Mexico. That complaint was unsealed in May 2010 and served on BP in June 2010. Abbott seeks damages measured by the value, net of royalties, of all past and future production from the Atlantis platform, trebled, plus penalties. In September 2010, Kenneth Abbott and Food & Water Watch filed an amended complaint in the False Claims Act lawsuit seeking an injunction shutting down the Atlantis platform. The court denied BP's motion to dismiss the complaint in March 2011. Separately, also in March 2011, BOEMRE issued its investigation report of the Abbott Atlantis allegations, which concluded that Kenneth Abbott's allegations that Atlantis operations personnel lacked access to critical, engineer-approved drawings were without merit and that his allegations about false submissions by BP to BOEMRE were unfounded. Trial was scheduled to begin on 10 April 2012 but the trial date was vacated and not rescheduled pending consideration of the parties' summary judgment motions.

Clean Air Act ("CAA") matters

On 1 February 2013, Marathon Petroleum Company LP purchased the Texas City refinery from BP Products and directed BP Products to transfer the refinery to Blanchard Refining Company LLC ("Blanchard"). On 4 November 2013, BP Products, Blanchard and the EPA reached an agreement to settle certain alleged Clean Air Act violations at the Texas City refinery. Pursuant to the settlement BP Products paid a civil penalty of US$950,000 and Blanchard agreed to undertake certain injunctive relief.

BP Products has also been in discussions with the EPA regarding alleged CAA violations at the Toledo refinery and the EPA has alleged certain CAA violations at the Cherry Point refinery and the Carson refinery (which BP Products sold to Tesoro Corporation on 1 June 2013).

Bolivia

On 24 January 2012, the Republic of Bolivia issued a press statement declaring its intent to nationalise Pan American Energy's ("PAE") interests in the Caipipendi Operations Contract. No formal decision has been issued or announced by the government, and no nationalisation process has commenced. In October 2013, in a public speech the President of Bolivia made remarks in connection with PAE's arbitration case for compensation for expropriation of its shares in Empresa Petrolera Chaco S.A. ("Chaco"). PAE and its shareholders BP and Bridas intend to vigorously defend their legal interests under the Caipipendi Operations Contract and in relation to the arbitration case relating to the expropriation of the PAE shares in Chaco. That arbitration was filed in March 2012 and jurisdiction has been confirmed by the tribunal. The case is due to proceed. PAE has reiterated its willingness to negotiate on the Chaco compensation claim and in December 2013 there was an agreement in principle to explore settlement options with the Bolivian government. Such proposals are being evaluated.

EC investigation and related matters

On 14 May 2013, European Commission officials made a series of unannounced inspections at the offices of BP and other companies involved in the oil industry acting on concerns that anticompetitive practices may have occurred in connection with oil price reporting practices and the reference price assessment process. Such inspections are a preliminary step in investigations. There is no deadline for the completion of the inquiries. Related inquiries and requests for information have also been received from US and other regulators following the European Commission's actions.

On 25 June 2013, the Federal Trade Commission ("FTC") served BP with a Request for Voluntary Submission of Documents and Information regarding its non-public investigation into whether or not Shell, BP or Statoil have engaged in unfair methods of competition or manipulative or deceptive conduct. BP is producing documents and witnesses to the FTC. In June 2013, BP received an initial request for information from the Japanese Fair Trade Commission. In December 2013, the Korea Fair Trade Commission initiated an investigation and a first information request is expected to be issued. On 16 January 2014, the U.S. Commodity Futures Trading Commission requested price reporting documents from BP.

In addition, fifteen purported class actions related to these matters have been filed in US District Courts alleging manipulation and antitrust violations under the Commodity Exchange Act and US antitrust laws, and these purported class actions have been consolidated in federal court in New York.

Directors

The directors of BP, each of whose business address is 1 St. James's Square, London SW1Y 4PD, and their positions and principal activities outside the BP Group, where these are significant, are as follows:

Name	Position	Principal Activities outside the BP Group
Executive directors		
Robert W Dudley	Group Chief Executive	OJSC Oil Company Rosneft, Director
Iain C Conn	Chief Executive, Refining and Marketing	Imperial College Council, Member Imperial College Business School, Chairman of Advisory Board Centre for European Reform, Member of Advisory Board Centre for China in the World Economy at Tsinghua University, Member of Advisory Board CBI Energy Policy and Climate Change Board, Deputy Chairman and Member BT Group plc, Non-executive Director
Dr. Brian Gilvary	Chief Financial Officer	None
Non-executive directors		
Carl-Henric Svanberg	Non-executive Chairman	AB Volvo, Chairman Earth Institute, Columbia University, Member of Advisory Board Harvard Kennedy School, Member of Advisory Board
Paul M Anderson	Non-executive Director	BAE Systems p.l.c., Non-executive Director
Alan Boeckmann	Non-executive Director	Sempra Energy, Non-executive Director Archer Daniels Midland Company, Non-executive Director
Admiral Frank L Bowman, US Navy Ret.	Non-executive Director	Morgan Stanley Mutual Funds, Director Naval & Nuclear Technologies, LLP, Director Strategic Decisions, LLC, President and Director American Shipbuilding Suppliers Association, Director Armed Forces YMCA of USA, Director Fairhaven United Methodist Church, Trustee National Security Advisory of the Centre for US Global Engagement, Member Naval Submarine League, Director

		J Street Cup (Golf Charity for Armed Services), Chairman
Antony Burgmans	Non-executive Director	Akzo Nobel NV, Chairman CVC Capital Partners NV, Specialist Advisor Intergamma B.V., Supervisory Board Member Jumbo Supermarketen B.V., Supervisory Board Member SHV Holdings N.V., Supervisory Board Member TNT Express, Chairman of Supervisory Board WWF Netherlands, Chairman Dutch National Opera, Chairman
Cynthia B Carroll	Non-executive Director	Hitachi Limited, Non-executive Director
George David	Non-executive Director	IMDx, Non-executive Director Peterson Institute for International Economics, Vice Chairman The Business Council, Member Advent International, Senior Advisor
Ian E L Davis	Non-executive Director	Rolls Royce Holdings PLC, Chairman and Non-executive Director McKinsey & Company, Inc., Advisor Apax Partners LLP, Advisor Cabinet Office, Non-executive Director Johnson & Johnson Inc., Non-executive Director Majid Al Futtaim LLC, Non-executive Director Teach for All, Director The Big Society Trust, Non-executive Director King Abdullah Petroleum Studies and Research Centre, Director
Professor Dame Ann Dowling	Non-executive Director	Professor of Mechanical Engineering & Head of Department of Engineering, University of Cambridge Chair of Physical Sciences, Mathematics and Engineering in the Research Excellence Framework Non-executive Director of BIS (Department for Business, Innovation and Skills) Ifm Education and Consultancy Services Limited, Chairman and Director

Brendan R Nelson	Non-executive Director	National Westminster Bank p.l.c., Non-executive Director The Royal Bank of Scotland Group p.l.c., Non-executive Director The Royal Bank of Scotland p.l.c., Non-executive Director Financial Reporting Review Panel, Member The Institute of Chartered Accountants of Scotland, President
Phuthuma F Nhleko	Non-executive Director	MTN Group, Chairman and Non-executive Director Anglo American plc, Non-executive Director Pembani Group, Chairman Pembani/Remgro, Director Rapid Africa Energy, Director
Andrew Shilston	Non-executive Director	Circle Holdings plc, Non-executive Director Morgan Advanced Materials plc, Non-executive Director and Chairman VSMC (Unlimited Company), Chairman

Conflicts of Interest

There are no potential conflicts of interest between the duties to BP of the persons listed under "Directors" above and their private interests or other duties.

Audit Committee

The members of BP's audit committee are:

Brendan R Nelson (Chairman)

George David

Andrew Shilston

Phuthuma F Nhleko

All members of the audit committee are independent non-executive directors. The board has satisfied itself that Mr Nelson has recent and relevant financial experience as outlined in The UK Corporate Governance Code guidance. The external auditors' lead partner, the BP general auditor (head of group audit), together with the BP Group chief financial officer and the chief accounting officer, attend each meeting at the request of the committee chairman. During the year, the committee meets with the external auditor, without the executive management being present, and also meets in private session with the BP general auditor.

The audit committee's tasks are considered by the committee to be broader than those envisaged under The UK Corporate Governance Code. The committee is satisfied that it addresses each of those matters identified as properly falling within an audit committee's purview. The committee has full delegated authority from the board to address those tasks assigned to it. In common with the board and all committees, it may request any information from the executive management necessary to discharge its functions and may, where it considers it necessary, seek independent advice and counsel.

BP Capital Markets p.l.c.

Introduction

BP Capital Markets p.l.c. (formerly BP Capital Limited, BP Capital p.l.c. and BP Amoco Capital p.l.c.) was originally incorporated as BP Capital Limited in England on 14 December 1976 as a private limited company under the Companies Act 1948 to 1967 (with registered number 1290444). On 30 June 1986, BP Capital Limited changed its name to BP Capital p.l.c. (as a result of its re-registration as a public limited company), to BP Amoco Capital p.l.c. on 2 March 1999 and to BP Capital on 8 May 2001.

BP Capital's registered office is located at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, telephone number: +44 (0)1932 762000. BP Capital has authorised equity of 99,999,990 ordinary shares of £1 each, 500,000,000 ordinary shares of US$1 each and 10 shares of 10 per cent. Cumulative redeemable preference shares of £1 each. BP Capital has issued 99,999,990 ordinary shares of £1 each, which are fully paid up and 500,000,000 ordinary shares of US$1 each which are fully paid-up of which 99,999,490 ordinary shares of £1 each and 500,000,000 ordinary shares of US$1 each are held legally and beneficially by BP International Limited and 500 ordinary shares of £1 each are held by Kenilworth Oil Company Limited as nominee for BP International Limited.

BP Capital is a finance company established to undertake any business, transaction or operation commonly undertaken or carried out by investment companies, investment holding companies, bankers, financiers, etc.

The objects of BP Capital are stated in Clauses 4 (A) to (X) of its Memorandum of Association.

Business Activities

BP Capital acts as a finance company issuing debt securities and commercial paper on behalf of the BP Group. The development of the business of BP Capital is largely determined by the financing requirements of the BP Group companies both in the UK and abroad.

BP Capital has no subsidiaries. BP Capital's business is raising debt to be on-lent to the parent company and other members of the BP Group on a comparable basis. BP Capital is accordingly dependent on the parent company and other members of the BP Group to service its loans.

Directors

The directors of BP Capital, their positions, their business addresses and their principal activities outside the BP Group, where these are significant, are as follows:

Name	Position	Address	Principal Activities outside the BP Group
David James Bucknall	Director	Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP	None
Dr. Brian Gilvary	Director	Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP	None
Nicholas Mark Hargrave Bamfield	Director	Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP	None
Roger Christopher Harrington	Director	Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP	None

Conflicts of Interest

No potential conflicts of interest have been identified between the duties to BP Capital of the persons listed under "Directors" above and their private interests or other duties.

Taxation

United Kingdom

The following is a summary of the United Kingdom withholding tax treatment at the date hereof in relation to the payment of interest, discount and premium in respect of the Notes and also contains a summary of some other salient points relating to the United Kingdom taxation treatment of Noteholders. The comments below are of a general nature based on current United Kingdom law as applied in England and Wales and HM Revenue and Customs practice (which may not be binding on HM Revenue and Customs) and are not intended to be exhaustive. The summary does not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. Except where the context otherwise requires, the comments relate only to the position of persons who are absolute beneficial owners of the Notes and do not deal with the position of certain classes of Noteholder such as dealers and persons connected with the Issuer (to whom special rules may apply). The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective investors who are in any doubt as to their tax positions or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.

Payment of Interest on the Notes

(A) While Notes which carry a right to interest continue to be listed on a recognised stock exchange as defined in Section 1005 of the Income Tax Act 2007 (such Notes being "quoted Eurobonds") payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for these purposes. The securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning and in accordance with the provisions of Part VI of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom tax.

(B) Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom tax where interest on the Notes is paid by a company and at the time the payment is made that company reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the person beneficially entitled to the income in respect of which the payment is made is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HM Revenue and Customs has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

(C) Interest on the Notes may currently also be paid without withholding or deduction for or on account of United Kingdom tax where the maturity date of the Note is less than 365 days from the date of issue (and where the borrowing under such Notes at no time forms part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days).

(D) In cases not falling within paragraphs (A), (B) or (C) above interest on Notes will generally be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, (subject to the required formalities being fulfilled) HM Revenue and Customs can issue a notice to the Issuer to pay interest to the relevant Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant

double tax treaty) and/or a Noteholder may be able to reclaim amounts withheld for or on account of United Kingdom tax.

(E) Payments on Notes that, although not expressed to be interest, fall to be treated as yearly interest for United Kingdom tax purposes will also be subject to the withholding tax rules described above. A premium payable on redemption of a Note may fall to be treated as yearly interest for United Kingdom tax purposes.

(F) Payments, or parts thereof, constituting income in respect of Notes which has a United Kingdom source may accordingly be chargeable to United Kingdom tax by direct assessment even if paid without withholding or deduction. However, income in respect of Notes with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be assessed to United Kingdom tax in the hands of a Noteholder who is not resident in the United Kingdom for tax purposes, unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, where the Noteholder is a corporate holder, carries on a trade through a permanent establishment in the United Kingdom, in connection with which the income is received or to which the Notes are attributable. There are exemptions for income received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

(G) The provisions relating to additional amounts referred to in Condition 7 of the Notes would not apply if HM Revenue and Customs sought to make a direct assessment on a Noteholder.

(H) If the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes), such payments may be subject to United Kingdom withholding tax at the basic rate, subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Provision of Information by and/or to HM Revenue and Customs

Information relating to securities may be required to be provided to HM Revenue and Customs in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HM Revenue and Customs may be exchanged with tax authorities in other countries.

EU Savings Directive

Under the EU Savings Directive, EU Member States are required to provide to the tax authorities of other EU Member States details of payments of interest (or similar income) paid by a person established within its jurisdiction to (or for the benefit of) an individual resident in another EU Member State or certain limited types of entities established in another EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other territories). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system

in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to elect out of the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The Council of the European Union has adopted the Amending Directive which will, when implemented, amend and broaden the scope of the requirements of the EU Savings Directive described above. The Amending Directive will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or for the benefit of) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the EU Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the EU Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

Foreign Account Tax Compliance Act

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("FATCA") impose a withholding tax of 30 per cent. on (i) certain U.S. source payments and (ii) payments of gross proceeds from the disposition of assets that produce U.S. source interest or dividends made to persons that fail to meet certain certification or reporting requirements. In order to avoid becoming subject to this withholding tax, non-U.S. financial institutions must enter into agreements with the IRS ("IRS Agreements") (as described below) or otherwise be exempt from the requirements of FATCA. Non-U.S. financial institutions that enter into IRS Agreements or become subject to provisions of local law ("IGA legislation") intended to implement an intergovernmental agreement entered into pursuant to FATCA ("IGAs"), may be required to identify "financial accounts" held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In order (a) to obtain an exemption from FATCA Withholding on payments it receives and/or (b) to comply with any applicable IGA legislation, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA Withholding.

Under FATCA, withholding may be required with respect to payments to certain persons that are not compliant with FATCA or that do not provide the necessary information or documentation made on or after (i) July 1, 2014 in respect of certain U.S. source payments, (ii) January 1, 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce U.S. source interest or dividends and (iii) January 1, 2017 (at the earliest) in respect of "foreign passthru payments" for U.S. federal income tax purposes but notwithstanding the foregoing, no FATCA Withholding in respect of "foreign passthru payments" is required with respect to payments made under any "obligation" (not including any instrument treated as equity) that is issued or materially modified on or before the date that is six months after the date on which the final regulations defining "foreign passthru payments" are filed in the Federal Register and that is not materially modified after such date.

On September 12, 2012, the U.K. and the U.S. entered into the Intergovernmental Agreement to Improve International Tax Compliance and to Implement FATCA (the "U.K. IGA") and the U.S. agreed to

amendments proposed by the U.K. on June 7, 2013. Section 222 of the Finance Act 2013 empowers Her Majesty's Treasury to make regulations giving effect to the U.K. IGA; such regulations initially came into force on September 1, 2013 and have been updated periodically since that date. The U.K. IGA provides, inter alia, that the governments of the United States and the United Kingdom are committed to work together to develop a practical and effective alternative approach to achieve the policy objectives of foreign passthru payment and gross proceeds withholding. It is not yet certain how the U.S. and U.K. will address withholding on foreign passthru payments, whether such withholding will be required at all or whether payments on instruments such as the Notes will constitute foreign passthru payments.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a holder that is not compliant with FATCA could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

The application of FATCA to Notes issued or materially modified on or after the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed with the Federal Register, may be addressed in a supplement to this Prospectus.

FATCA is particularly complex and its application to the Issuer, the Notes and the Noteholders is subject to change. Each prospective investors should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how FATCA might affect such investor in its particular circumstance.

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 (the "participating Member States").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are 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 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.

Notwithstanding the Commission's Proposal, a joint statement issued in May 2014 by the participating EU Member States (other than Slovenia) indicated an intention to implement the FTT progressively, such that it would initially apply to transactions involving shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not available. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The proposed FTT remains subject to negotiation between the participating Member States and the timing remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Subscription and Sale

Subject to the terms and on the conditions contained in a Programme Agreement (amended and restated) dated 13 August 2014 (the "Programme Agreement") between the Issuer, the Guarantor and the Permanent Dealers, the Notes will be offered from time to time by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer, failing whom the Guarantor, will pay each Dealer a commission as agreed between the Issuer, the Guarantor and the Dealer, which commission may be deducted from the net proceeds payable to the Issuer on the closing of any series of Notes. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment and the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes and the Guarantee may not be offered or sold within the United States or to, or for the account or benefit of, US 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.

Notes in bearer form are subject to US 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 US Treasury regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it has not offered or sold and will not offer or sell the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Dealer and the Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells 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, US persons.

In addition, until 40 days after the commencement of the offering, an 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.

Public Offer Selling Restriction under the Prospectus Directive

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

(i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

United Kingdom

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

(i) 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 whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) 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 or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

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"). Accordingly, each of the Dealers 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 as 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 and regulations of Japan.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) 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 or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) 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 any 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 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 Securities and Futures Ordinance (Cap. 571 of Hong Kong) and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such 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 Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

(i) 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
(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

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

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

Canada

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

(a) the sale and delivery of any Notes to any purchaser who is a resident of Canada or otherwise subject to the laws of Canada or who is purchasing for a principal who is a resident of Canada or otherwise subject to the laws of Canada (each such purchaser or principal, a "Canadian Purchaser") by such Dealer shall be made so as to be exempt from the prospectus filing requirements, and exempt from or in compliance with the dealer registration requirements, of all applicable securities laws and regulations, rulings and orders made thereunder and rules, instruments and policy statements issued and adopted by the relevant securities regulator or regulatory authority, including those applicable in each of the provinces and territories of Canada (the "Canadian Securities Laws");

(b) (i) where required under applicable Canadian Securities Laws, it is appropriately registered under the applicable Canadian Securities Laws in each province and territory to sell and deliver the Notes to each Canadian Purchaser that is a resident of, or otherwise subject to the Canadian Securities Laws of, such province or territory, and to whom it sells or delivers any Notes, or such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein, or (ii) provided the Notes are offered primarily outside Canada, the dealer is permitted to rely on the "international dealer" exemption, has complied with all requirements of that exemption and has provided notice to such investor, as required by National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103");

(c) it will comply with all relevant Canadian Securities Laws concerning any resale of the Notes by it and will prepare, execute, deliver and file the report of exempt distribution under NI 45-106 (as defined

below) and the Canadian Offering Memorandum (as defined below), if applicable, required by the applicable Canadian Securities Laws to permit each resale by it of Notes to a Canadian Purchaser;

(d) it will ensure that each Canadian Purchaser purchasing from it (i) has represented to it that such Canadian Purchaser is a resident in, and subject to the Canadian Securities Laws of, a province or territory of Canada, or is a corporation, partnership, or other entity, resident and created in or organised under the laws of Canada or any province or territory thereof, (ii) has represented to it that such Canadian Purchaser is an "accredited investor" as defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106") and which categories set forth in the relevant definition of "accredited investor" in NI 45-106 correctly describes such Canadian Purchaser and, where paragraph b(ii) above applies, has also represented to it that such Canadian Purchaser is a "permitted client" as defined in section 1.1 of NI 31-103 and a "Canadian permitted client" as defined in section 8.18(1) of NI 31-103, (iii) has represented to it that it is not a person created or used solely to purchase or hold the Notes as an accredited investor as described in Section 2.3(5) of NI 45-106, and (iv) consents to disclosure of all required information about the purchase to the relevant Canadian securities regulatory authorities;

(e) the offer and sale of the Notes by the Dealer was not made through or accompanied by any advertisement of the Notes, including, without limitation, in printed media of general and regular paid circulation, radio, television, or telecommunications, including electronic display or any other form of advertising or as part of a general solicitation in Canada by the Dealer;

(f) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an offering memorandum (other than the Canadian Offering Memorandum prepared in connection with the issue of the relevant Notes to be prepared by the Issuer, in form and content satisfactory to the Dealer(s), acting reasonably, and provided to the Dealer(s) (the "Canadian Offering Memorandum"));

(g) it will ensure that each Canadian Purchaser purchasing from it is advised that no securities commission, stock exchange or other similar regulatory authority in Canada has reviewed or in any way passed upon the Canadian Offering Memorandum or the merits of the Notes described therein, nor has any such securities commission, stock exchange or other similar regulatory authority in Canada made any recommendation or endorsement with respect to the Notes, provided that a statement to such effect in the Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure;

(h) it has not made and it will not make any written or oral representations to any Canadian Purchaser (i) that any person will resell or repurchase the Notes purchased by such Canadian Purchaser; (ii) that the Notes will be freely tradeable by the Canadian Purchaser without any restrictions or hold periods; (iii) that any person will refund the purchase price of the Notes; or (iv) as to the future price or value of the Notes; and

(i) it will inform each Canadian Purchaser purchasing from it (i) that the Issuer is not a "reporting issuer" (as defined under applicable Canadian Securities Laws) and is not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Notes, and one may never develop; (ii) that the Notes will be subject to resale restrictions under applicable Canadian Securities Laws; and (iii) such Canadian Purchaser's name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws, provided that a statement to such effect in the Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure.

The PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offer of the Notes is not an offer of securities within the meaning of the PRC Securities Law or other pertinent laws and regulations of the PRC and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

New Zealand

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

(a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes; and

(b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Notes, in each case in New Zealand unless:

(i) the aggregate consideration payable is not less than (in relation to Notes offered in New Zealand on or before 30 November 2014) NZ$500,000 or (in relation to Notes offered in New Zealand on or after 1 December 2014) NZ$750,000 (in either case disregarding any amount lent by the offeror or any associated person of the offeror); or

(ii) the New Zealand Notes are transferred (in relation to Notes offered in New Zealand on or before 30 November 2014) to persons whose principal business is the investment of money or who in the course of and for the purposes of their business, habitually invest money within the meaning of the Securities Act 1978 of New Zealand or in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand (provided that the Notes may not be transferred to "eligible persons" within the meaning of the Securities Act 1978 of New Zealand) or (in relation to Notes offered in New Zealand on or after 1 December 2014) to wholesale investors within the meaning of the Financial Markets Conduct Act 2013 of New Zealand.

General

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus. No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all applicable laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms and none of the Issuer, the Guarantor nor any other Dealer shall have responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer, the Guarantor and the relevant Dealer shall agree and as shall be set out in the relevant Final Terms.

Form of Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Notes listed on the SIX Swiss Exchange issued under the Programme.

[Date]

Final Terms dated [●]
BP Capital Markets p.l.c.
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
Guaranteed by BP p.l.c.
under the US$30,000,000,000
Debt Issuance Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Prospectus dated 13 August 2014, [and the Supplemental Prospectus dated [●]] which together constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the Supplemental Prospectus] [is] [are] available for viewing at the market news section of the London Stock Exchange website (*www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html*).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") contained in the Trust Deed dated [*original date*] which was in force on [*issue date of original Notes*], a copy of which is set forth in the Prospectus dated [*original date*] [and the Supplemental Prospectus dated [●]] and incorporated by reference into the Prospectus dated 13 August 2014. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "Prospectus Directive") and must be read in conjunction with the Prospectus dated 13 August 2014 [and the Supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer, the Guarantor and the offer of Notes is only available on the basis of these Final Terms and the Prospectus dated 13 August 2014 [as so supplemented]. Copies of such Prospectuses [as so supplemented] are available for viewing at the market news section of the London Stock Exchange website (*www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html*).]

1	(a)	Issuer:	BP Capital Markets p.l.c.
	(b)	Guarantor:	BP p.l.c.
2	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]

3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	
	(a) Series:	[●]
	(b) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(a) 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 [●]]
	(b) Calculation Amount:	[●]
7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[●]
8	Maturity Date:	[specify date *(for Fixed Rate Notes) or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*] †
9	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/CAD-BA-CDOR/SIBOR/SOR] +/- [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11	Change of Interest Basis:	[[●]/[Not Applicable]]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	[Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions	[Applicable/Not Applicable]
	(a) Rate(s) of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	[[●] [and [●]] in each year up to and including the Maturity Date]‡

† Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment it will be necessary to use the second option here.

‡ Note that for certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to adjustment and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

(c)	Fixed Coupon Amount(s)[§]:	[●] per Calculation Amount
(d)	Broken Amount(s)[**]:	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/Actual Canadian Compound Method]
(f)	Determination Date(s):	[●] in each year
(g)	Business Centre:	[Not Applicable]/[●]
(h)	Business Day Convention:	[Not Applicable][Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
15	Floating Rate Note Provisions	[Applicable/Not Applicable]
(a)	Specified Period(s)/Specified Interest Payment Dates:	[●]
(b)	First Interest Payment Date:	[●]
(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
(d)	Business Centre(s):	[●]
(e)	Manner in which Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●]
(g)	Screen Rate Determination:	
	● Reference Rate:	[LIBOR]/[EURIBOR]/[CAD-BA-CDOR]/[SIBOR]/[SOR]
	● Interest Determination Date(s):	[Second London business day prior to the start of each Interest Accrual Period] [First day of each Interest Accrual Period] [Second day on which the TARGET2 System is open prior to the start of each Interest Accrual Period] [[●] business day[s] prior to the start of each Interest Accrual Period]
	● Relevant Screen Page:	[●]
(h)	ISDA Determination:	
	● Floating Rate Option:	[●]
	● Designated Maturity:	[●]

[§] For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, in the case of Renminbi denominated Fixed Rate Notes or to the nearest HK$0.01."

	● Reset Date:	[●]
	(i) Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest of the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(j) Margin(s):	[+/-] [●] per cent. per annum
	(k) Minimum Rate of Interest:	[●] per cent. per annum
	(l) Maximum Rate of Interest:	[●] per cent. per annum
	(m) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
16	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	(a) Amortisation Yield:	[●] per cent. per annum
	(b) Day Count Fraction in relation to Early Redemption Amounts:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
PROVISIONS RELATING TO REDEMPTION		
17	Issuer Call:	[Applicable/Not Applicable]
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●]
	(ii) Maximum Redemption Amount:	[●]
	(d) Notice period:	[●] [Not Applicable]
18	Investor Put:	[Applicable/Not Applicable]
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount:	[●] per Calculation Amount
	(c) Notice period:	[●] [Not Applicable]
19	Final Redemption Amount:	[●] per Calculation Amount
20	Early Redemption Amount payable on redemption for taxation reasons or on	[As per Condition 5(b)/[●] per Calculation Amount]

event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21	Form of Notes:	
	(a) Form:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only in the limited circumstances specified in the Permanent Global Note]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only in the limited circumstances specified in the Permanent Global Note/at any time at the request of the Issuer]] [Registered Notes:] [Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/SIS/ a sub-custodian for the CMU/CDS/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]/Global Certificate registered in the name of CDP and/or its nominee]
	(b) New Global Note:	[Yes][No]
22	Financial Centre(s):	[Not Applicable/*give details*]
23	US Selling Restrictions:	[Reg. S Compliance Category [1/2]]; [TEFRA D/ TEFRA C/TEFRA not applicable]

Signed on behalf of the Issuer:

By: .....
Duly authorised

Signed on behalf of the Issuer:

By: .....
Duly authorised

Signed on behalf of the Guarantor:

By: .....
Duly authorised

Signed on behalf of the Guarantor:

By: .....
Duly authorised

PART B - OTHER INFORMATION

1 **LISTING**

(i)	Admission to trading	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange with effect from [●].]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2 **RATINGS**

[The Notes to be issued [have been]/[are expected to be] rated:

[S&P: [●]]

[Moody's: [●]]]

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

[Save as discussed in the Prospectus under the heading "Subscription and Sale", so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

4 **THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

5 **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.

6 **OPERATIONAL INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	CMU Instrument Number:	[●]
(iv)	Any Clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, *société anonyme,* CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*] [CDS Clearing and Depository Services Inc.] [CDP] [CUSIP]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of initial Paying Agents(s):	[●]
(vii)	Names and addresses of additional Paying Agents(s):	[●]

Form of Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes listed on the SIX Swiss Exchange issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF THE NOTES DESCRIBED BELOW. THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT IN CONNECTION WITH THE ISSUE OF THE NOTES DESCRIBED BELOW.

[Date]

BP Capital Markets p.l.c.
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
Guaranteed by BP p.l.c.
under the US$30,000,000,000
Debt Issuance Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Prospectus dated 13 August 2014, [and the Supplemental Prospectus dated [●]]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Pricing Supplement and the Prospectus [as so supplemented]. The Prospectus [and the Supplemental Prospectus] [is] [are] available for viewing at the market news section of the London Stock Exchange website (*www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html*).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") contained in the Trust Deed dated [*original date*] which was in force on [*issue date of original Notes*], a copy of which is set forth in the Prospectus dated [*original date*] [and the Supplemental Prospectus dated [●]] and incorporated by reference into the Prospectus dated 13 August 2014. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Prospectus dated 13 August 2014 [and the Supplemental Prospectus dated [●]]. Full information on the Issuer, the Guarantor and the offer of Notes is only available on the basis of this Pricing Supplement and the Prospectus dated 13 August 2014 [as so supplemented]. Copies of such Prospectuses [as so supplemented] are available for viewing at the market news section of the London Stock Exchange website (*www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html*).]

1	(a)	Issuer:	BP Capital Markets p.l.c.
	(b)	Guarantor:	BP p.l.c.
2	(a)	Series Number:	[●]

	(b) Tranche Number:	[●]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	
	(a) Series:	[●]
	(b) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(a) 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 [●]]
	(b) Calculation Amount:	[●]
7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[●]
8	Maturity Date:	[specify date (for Fixed Rate Notes) or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] [2]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/CAD-BA-CDOR/SIBOR/SOR] +/- [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11	Change of Interest Basis:	[[●]/[Not Applicable]]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	[Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions	[Applicable/Not Applicable]
	(a) Rate(s) of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	[[●] [and [●]] in each year up to and including the Maturity Date][3]

[2] Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment it will be necessary to use the second option here.

	(c) Fixed Coupon Amount(s)[4]:	[●] per Calculation Amount
	(d) Broken Amount(s)[4]:	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(e) Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/Actual Canadian Compound Method]
	(f) Determination Date(s):	[●] in each year
	(g) Business Centre:	[Not Applicable]/[●]
	(h) Business Day Convention:	[Not Applicable][Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
15	Floating Rate Note Provisions	[Applicable/Not Applicable]
	(a) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(b) First Interest Payment Date:	[●]
	(c) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
	(d) Business Centre(s):	[●]
	(e) Manner in which Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●]
	(g) Screen Rate Determination:	
	● Reference Rate:	[LIBOR]/[EURIBOR]/[CAD-BA-CDOR] /[SIBOR]/[SOR]
	● Interest Determination Date(s):	[Second London business day prior to the start of each Interest Accrual Period] [First day of each Interest Accrual Period] [Second day on which the TARGET2 System is open prior to the start of each Interest Accrual Period] [[●] business day[s] prior to the start of each Interest Accrual Period]
	● Relevant Screen Page:	[●]

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[3] Note that for certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to adjustment and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

[4] For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, in the case of Renminbi denominated Fixed Rate Notes or to the nearest HK$0.01."

	(h)	ISDA Determination:	
		● Floating Rate Option:	[●]
		● Designated Maturity:	[●]
		● Reset Date:	[●]
	(i)	Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest of the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(j)	Margin(s):	[+/-] [●] per cent. per annum
	(k)	Minimum Rate of Interest:	[●] per cent. per annum
	(l)	Maximum Rate of Interest:	[●] per cent. per annum
	(m)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
16	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(a)	Amortisation Yield:	[●] per cent. per annum
	(b)	Day Count Fraction in relation to Early Redemption Amounts:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17	Issuer Call:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[●]
		(ii) Maximum Redemption Amount:	[●]
	(d)	Notice period:	[●] [Not applicable]
18	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount:	[●] per Calculation Amount
	(c)	Notice period:	[●][Not applicable]

19	Final Redemption Amount:	[●] per Calculation Amount
20	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[As per Condition 5(b)/[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21 Form of Notes:

(a) Form:

Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

Condition 1 (Form, Denomination and Title) shall be supplemented as follows:

"The Notes will be in bearer form and will be represented by a permanent global note (the "Permanent Global Note") in substantially the form scheduled to the supplemental trust deed dated [●] between the Issuer, the Guarantor and The Law Debenture Trust Corporation p.l.c.

The Notes and all rights in connection therewith are documented in the Permanent Global Note which shall be deposited by [●] (the "Principal Swiss Paying Agent") with SIX SIS AG or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd. (SIX SIS AG or any such other intermediary, the "Intermediary"). Once the Permanent Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) ("Intermediated Securities") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each Holder (as defined below) shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of its claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and the Notes 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 Notes in a securities account of the transferee.

Neither the Issuer nor the Holders (as defined below) shall at any time have the right to effect or demand the conversion of the Permanent Global Note (*Globalurkunde*) into, or the delivery of, uncertificated

		securities (*Wertrechte*) or Definitive Notes (*Wertpapiere*). The records of the Intermediary will determine the number of Notes held through each participant in that Intermediary. In respect of the Notes held in the form of Intermediated Securities, the holders of the Notes (the "Holders") will be the persons holding the Notes in a securities account in their own name and for their own account. No physical delivery of the Notes shall be made unless and until Definitive Notes (*Wertpapiere*) shall have been printed. Definitive Notes (*Wertpapiere*) may only be printed, in whole, but not in part, if [the Principal Swiss Paying Agent determines, in its sole discretion, that the printing of the Definitive Notes (*Wertpapiere*) is necessary or useful]. Should the Principal Swiss Paying Agent so determine, it shall provide for the printing of Definitive Notes (*Wertpapiere*) without cost to the Holders. If printed, the Definitive Notes (*Wertpapiere*) shall be executed by affixing thereon the facsimile signature of an authorised officer of the Issuer. Upon delivery of the Definitive Notes (*Wertpapiere*), the Permanent Global Note will immediately be cancelled by the Principal Swiss Paying Agent and the Definitive Notes (*Wertpapiere*) shall be delivered to the Holders against cancellation of the Notes in the Holders' securities accounts."
	(b) New Global Note:	[Yes][No]
22	Financial Centre(s):	[Not Applicable/*give details*]
23	US Selling Restrictions:	[Reg. S Compliance Category [1/2]]; [TEFRA D/ TEFRA C/TEFRA not applicable]

Signed on behalf of the Issuer:

By: .....
Duly authorised

Signed on behalf of the Issuer:

By: .....
Duly authorised

Signed on behalf of the Guarantor:

By: .....
Duly authorised

Signed on behalf of the Guarantor:

By: .....
Duly authorised

PART B - OTHER INFORMATION

1 **RATINGS**

[The Notes to be issued [have been]/[are expected to be] rated:

[S&P: [●]]

[Moody's: [●]]]

2 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save as discussed in the Prospectus under the heading "Subscription and Sale", so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

3 **THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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 **OPERATIONAL INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	CMU Instrument Number:	[●]
(iv)	Any Clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, *société anonyme,* CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*] [SIX SIS AG, Olten, Switzerland]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of initial Paying Agents(s):	[●]
(vii)	Names and addresses of additional Paying Agents(s):	[●]

General Information

1. It is expected that each Series of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of the temporary or permanent Global Note or one or more certificates initially representing the Notes of such Series (if any) and that the listing of the Programme will be granted on or about 18 August 2014.

2. Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the issue and performance of the Notes and the giving of the Guarantee, as the case may be. The update of the Programme was authorised by a resolution of the Board of Directors of BP Capital passed on 7 August 2014 and by the exercise of the delegated authority of the Chief Financial Officer of the Guarantor on 24 July 2014, such authority delegated to him by the Chief Executive Officer on 30 June 2014 pursuant to a board resolution of the Guarantor on 15 November 2007.

3. Save as disclosed in the sections headed "Risk Factors — Risk factors that apply to the business of the BP Group — The Gulf of Mexico oil spill" on pages 17 to 18 (inclusive), "BP p.l.c. — Recent Developments" on page 87 and "BP p.l.c. — Legal Proceedings" on pages 87 to 110 (inclusive), there has been no significant change in the financial or trading position of the BP Group since 30 June 2014.

4. Save as disclosed in Note 2 to the condensed set of financial statements which describes the uncertainties surrounding the provisions and contingencies related to the Gulf of Mexico oil spill on pages 18 to 23 of the Half Year 2014 Report which is incorporated by reference in this Prospectus and the sections headed "Risk Factors — Risk factors that apply to the business of the BP Group — The Gulf of Mexico oil spill" on pages 17 to 18 (inclusive), "BP p.l.c. — Recent Developments" on page 87 and "BP p.l.c. — Legal Proceedings" on pages 87 to 110 (inclusive), there has been no material adverse change in the prospects of the Guarantor since 31 December 2013.

5. Save as disclosed in Note 2 to the condensed set of financial statements which describes the uncertainties surrounding the provisions and contingencies related to the Gulf of Mexico oil spill on pages 18 to 23 of the Half Year 2014 Report which is incorporated by reference in this Prospectus and the sections headed "Risk Factors — Risk factors that apply to the business of the BP Group — The Gulf of Mexico oil spill" on pages 17 to 18 (inclusive), "BP p.l.c. — Recent Developments" on page 87 and "BP p.l.c. — Legal Proceedings" on pages 87 to 110 (inclusive), there has been no significant change in the financial or trading position of BP Capital since 31 December 2013.

6. Save as disclosed in Note 2 to the condensed set of financial statements which describes the uncertainties surrounding the provisions and contingencies related to the Gulf of Mexico oil spill on pages 18 to 23 of the Half Year 2014 Report which is incorporated by reference in this Prospectus and the sections headed "Risk Factors — Risk factors that apply to the business of the BP Group — The Gulf of Mexico oil spill" on pages 17 to 18 (inclusive), "BP p.l.c. — Recent Developments" on page 87 and "BP p.l.c. — Legal Proceedings" on pages 87 to 110 (inclusive), there has been no material adverse change in the prospects of BP Capital since 31 December 2013.

7. Save as disclosed in "BP p.l.c. — Legal Proceedings" on pages 87 to 110 (inclusive), there are no, and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer, the Guarantor or any of their respective subsidiaries, as the case may be, is aware), during the 12 months preceding the date of this Prospectus, which may have, or have in the recent past had, significant effects on the financial position or

profitability of the Issuer or the Guarantor, as the case may be, or (in the case of the Guarantor) the BP Group.

8. Each Bearer Note, Coupon and Talon issued by BP Capital under the D Rules with a maturity of more than one year will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

   Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). Registered Notes may also be held through CDS. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any alternative clearing system) for each Series of Notes will be set out in the relevant Final Terms. The Issuer may also apply to have Bearer Notes or Registered Notes accepted for clearance through CDP and/or the CMU. The relevant CMU instrument number will be set out in the relevant Final Terms.

   The address of Euroclear is 3 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue J. F. Kennedy, L-1855 Luxembourg. The address of CDS is 85 Richmond Street West, Toronto, ON, Canada, M5H 2C9. The address of CDP is 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589. The address of CMU is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

9. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as each of the Issuer and the Guarantor is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

10. For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and the specified office of the Issuing and Paying Agent:

    (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);

    (ii) the Agency Agreement;

    (iii) the constitutive documents of each of the Issuer and the Guarantor;

    (iv) the published audited accounts of BP Capital for the financial years ended 31 December 2012 and 2013, respectively, the annual report and audited consolidated annual accounts of the Guarantor for the financial years ended 31 December 2012 and 2013, respectively, and the Half Year 2014 Report, together with any subsequent published interim financial statements;

    (v) each Final Terms for Notes that are admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market or any other stock exchange;

    (vi) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and

    (vii) a copy of the subscription agreement for Notes issued on a syndicated basis that are admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market.

11. Copies of the latest published non-consolidated accounts of BP Capital and the latest annual report and consolidated accounts of the Guarantor and the latest interim consolidated accounts of the Guarantor, may be obtained, and copies of the Trust Deed (including the Guarantee) will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding. BP Capital does not publish interim accounts.

12. Ernst & Young LLP, London have audited, and rendered unqualified audit reports on, (a) the accounts of BP Capital for the two years ended 31 December 2013 and (b) the accounts of the Guarantor for the two years ended 31 December 2013.

    Ernst & Young LLP does not have any material interest in BP Capital or the Guarantor.

13. In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

14. 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 services for, the Issuer and their 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.

Registered Office of the Issuer

BP Capital Markets p.l.c.
Chertsey Road
Sunbury-on-Thames
Middlesex TW16 7BP
United Kingdom

Registered Office of the Guarantor

BP p.l.c.
1 St. James's Square
London SW1Y 4PD
United Kingdom

Arranger

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

Dealers

Credit Suisse AG
Paradeplatz 8
CH-8001 Zurich
Switzerland

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

UBS AG
Bahnhofstrasse 45
8098 Zurich
Switzerland

Trustee

The Law Debenture Trust Corporation p.l.c.
Fifth Floor
100 Wood Street
London EC2V 7EX
United Kingdom

Issuing and Paying Agent and Transfer Agent

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Registrar and Paying Agent

Citigroup Global Markets Deutschland AG
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt am Main
Germany

Canadian Authentication Agent

Citi Trust Company Canada
18th Floor
123 Front Street West
Toronto
Ontario M5J 2M3
Canada

CMU Lodging Agent / CMU Issuing and Paying Agent

Citicorp International Limited
9/F, Two Harbourfront
22 Tak Fung Street
Hung Hom, Kowloon
Hong Kong

CDP Registrar/CMU Registrar

Citicorp International Limited
9/F, Two Harbourfront
22 Tak Fung Street
Hung Hom, Kowloon
Hong Kong

CDP Issuing and Paying Agent

Citicorp Investment Bank (Singapore) Limited
3 Changi Business Park Crescent
#03-00 Changi Business Park
Singapore 486026

Auditors

To the Issuer and the Guarantor

Ernst & Young LLP
1 More London Place
London SE1 2AF
United Kingdom

Legal Advisers

To the Issuer and the Guarantor as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

To the Dealers and the Trustee as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom