

BofA Finance LLC
Form 424B2
April 09, 2018

Pricing Supplement
(To Prospectus dated November 4, 2016, Series A

Prospectus Supplement dated November 4, 2016 and Filed Pursuant to Rule 424(b)(2)

Product Supplement STOCK-1 dated November 30, 2016) Registration Statement No. 333-213265

April 5, 2018

\$250,000,000

BofA Finance LLC

Cash-Settled Equity Linked Notes Linked to the Common Stock of Voya Financial, Inc. due May 1, 2023

Fully and Unconditionally Guaranteed by Bank of America Corporation

The CUSIP number for the notes is 09709TED9.

The notes are unsecured senior notes issued by BofA Finance LLC (“BofA Finance”), a direct, wholly-owned subsidiary of Bank of America Corporation (“BAC” or the “Guarantor”), which are fully and unconditionally guaranteed by the Guarantor. All payments due on the notes, including any repayment of principal, will be subject to the credit risk of BofA Finance, as issuer of the notes, and the credit risk of Bank of America Corporation, as guarantor of the notes.

The notes will mature on May 1, 2023, unless earlier converted (the “maturity date”).

The notes will bear interest at the rate of 0.25% per annum, paid semi-annually, as described in more detail below. Other than the interest payments, the payments on the notes will depend on the performance of the common stock of Voya Financial, Inc. (the “Underlying Stock”).

The notes may be converted for cash at your option during the ten scheduled trading days immediately following the interest payment date occurring in May of each year beginning May 1, 2019, subject to the conditions set forth in this pricing supplement. The notes may not be converted for cash at your option on any other date. Notes not so converted will be converted for cash automatically on the maturity date, as described below. If you convert your notes prior to the maturity date, you will not receive any payment for any accrued and unpaid interest on the Early Cash Conversion Date (as defined below), or any future interest payments.

All payments on the notes will be made in cash. You will not have the option to convert the notes into shares of the Underlying Stock.

If a Make-Whole Event occurs on or after the settlement date but prior to April 1, 2023, and the notes have not been previously converted for cash early, you will receive at maturity a cash payment plus any accrued but unpaid interest.

The payment at maturity will be calculated based on the Final Stock Price (as defined below) of the Underlying Stock over 20 Valuation Dates (as defined below), as described below. The payment at maturity will be greater than or equal to the principal amount of the notes.

If a Make-Whole Event occurs on or after the settlement date but prior to April 1, 2023, you will receive a Make-Whole Payment (as defined below), if any, in cash on the Make-Whole Payment Date (each as defined below) equal to (a) the Make-Whole Event Intrinsic Value (as defined below) plus (b) the product of the number of Additional Shares and the Applicable Price (each as defined below), as described below. However, you will not

receive any Make-Whole Payment if both (a) the average of the Final Stock Prices on the 20 relevant Valuation Dates is equal to or less than the Threshold Price (as defined below) and (b) the number of Additional Shares is zero. If a Make-Whole Event occurs on or after the settlement date but prior to April 1, 2023, investors will receive at maturity the principal amount of the notes plus accrued and unpaid interest, and will no longer have the option to convert the notes for cash prior to the maturity date.

The notes will not be listed on any securities exchange. The notes will be issued in denominations of \$100,000 and whole multiples of \$1,000 in excess of \$100,000.

The initial estimated value of the notes is less than the public offering price. As of April 5, 2018 (the “pricing date”), the initial estimated value of the notes is \$987.70 per \$1,000 in principal amount. See the sections of this pricing supplement below, “Summary,” “Risk Factors” and “Structuring the Notes” for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

The notes and the related guarantee:

Are Not FDIC Insured Are Not Bank Guaranteed May Lose Value

	Per Note	Total
Public Offering Price	100.00%	\$250,000,000
Underwriting Discount ⁽¹⁾	0.00%	\$ 0.00
Proceeds (before expenses) to BofA Finance	100.00%	\$250,000,000

(1) Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) will not receive any selling commission for the notes. See “Supplement to the Plan of Distribution; Role of MLPF&S and Conflicts of Interest” below.

*The notes and the related guarantee of the notes by the Guarantor are unsecured and are not savings accounts, deposits, or other obligations of a bank. The notes are not guaranteed by Bank of America, N.A. or any other bank, are not insured by the Federal Deposit Insurance Corporation or any other governmental agency and involve investment risks. Potential purchasers of the notes should consider the information in “Risk Factors” beginning on page PS-13 of this pricing supplement, page PS-5 of the accompanying product supplement, page S-4 of the accompanying prospectus supplement, and page 7 of the accompanying prospectus. **You may lose some or all of your principal amount in the notes.** None of the Securities and Exchange Commission (the “SEC”), any state securities commission, or any other regulatory body has approved or disapproved of these notes or the guarantee, or passed upon the adequacy or accuracy of this pricing supplement, or the accompanying product supplement, prospectus supplement or prospectus. Any representation to the contrary is a criminal offense.*

We will deliver the notes in book-entry form only through The Depository Trust Company on April 10, 2018 against payment in immediately available funds.

Sole Book Running Manager

BofA Merrill Lynch

TABLE OF CONTENTS

Page

SUMMARY	pS-3
RISK FACTORS	pS-13
DESCRIPTION OF THE NOTES	pS-18
THE UNDERLYING STOCK	pS-23
SUPPLEMENT TO THE PLAN OF DISTRIBUTION; ROLE OF MLPF&S AND CONFLICTS OF INTEREST	pS-25
STRUCTURING THE NOTES	pS-26
VALIDITY OF THE NOTES	pS-26
U.S. FEDERAL INCOME TAX SUMMARY	pS-27
Annex A: FORM OF EARLY CASH CONVERSION NOTICE	A-1

PS-2

SUMMARY

The Cash-Settled Equity Linked Notes Linked to the Common Stock of Voya Financial, Inc. due May 1, 2023 (the “notes”) are our senior debt securities. All payments on the notes are fully and unconditionally guaranteed by BAC. The notes and the related guarantee are not insured by the Federal Deposit Insurance Corporation or secured by collateral. **The notes will rank equally with all of our other unsecured senior debt, and the related guarantee will rank equally with all of BAC’s other unsecured and unsubordinated debt. All payments due on the notes will be subject to the credit risk of BofA Finance, as issuer, and BAC, as guarantor.** Unless earlier converted, the notes will mature on May 1, 2023.

Payments on the notes depend on the credit risk of BofA Finance and BAC and on the performance of the Underlying Stock. The economic terms of the notes are based on BAC’s internal funding rate, which is the rate it would pay to borrow funds through the issuance of market-linked notes and the economic terms of certain related hedging arrangements it enters into. BAC’s internal funding rate is typically lower than the rate it would pay when it issues conventional fixed or floating rate debt securities. This difference in funding rate, as well as the hedging related charges described below, reduced the economic terms of the notes to you and the initial estimated value of the notes. Due to these factors, the public offering price you pay to purchase the notes is greater than the initial estimated value of the notes as of the pricing date.

On the cover page of this pricing supplement, we have provided the initial estimated value of the notes. For more information about the initial estimated value and the structuring of the notes, see “Risk Factors” beginning on page PS-13 and “Structuring the Notes” on page PS-27.

General:

Issuer: BofA Finance, an indirect, wholly owned finance subsidiary of BAC.
 Guarantor: BAC.
 Credit Risk: The notes are unsecured and unsubordinated obligations of BofA Finance, the payment on which is fully and unconditionally guaranteed by BAC. **All payments on the notes are subject to the credit risk of BofA Finance, as issuer of the notes, and the credit risk of BAC, as guarantor of the notes.**
 Pricing Date: April 5, 2018
 Original Issue Date: April 10, 2018 (settlement date)
 Maturity Date: May 1, 2023
 Denominations: Minimum denominations of \$1,000 and integral multiples of \$1,000 in excess of \$1,000.
 Underlying Stock: The common stock of Voya Financial, Inc. (Bloomberg ticker: VOYA). See the section entitled “The Underlying Stock.” We refer to Voya Financial, Inc. as the “Underlying Company.”

Interest Payments:

Interest Rate: 0.25% per annum, paid semi-annually and calculated on a 30/360 basis
 Interest Payment Dates: If the notes have not been previously converted for cash early, interest on the notes will be payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2018 and ending on, and including, the maturity date.

Determining the Value of the Underlying Stock:

Threshold Price: 137.5% of the Initial Reference Price (as defined below).
 Initial Reference Price: The arithmetic average of the VWAPs (as defined below) of one share of the Underlying Stock over the five consecutive trading days immediately following the pricing date, as determined in the sole discretion of the calculation agent. **The Initial Reference Price will likely differ from the VWAP**

and the official closing price of one share of the Underlying Stock on the pricing date.

MLPF&S will notify holders of the notes of the Initial Reference Price once it has been determined.

Final Stock
Price:

With respect to each relevant Valuation Date, the product of the Price Multiplier and

PS-3

the VWAP of one share of the Underlying Stock on that Valuation Date.

Price Multiplier: Initially 1.0, subject to adjustment upon the occurrence of certain corporate events affecting the Underlying Stock, as discussed in this pricing supplement and the product supplement, including as a result of certain cash dividends that may be paid on the Underlying Stock.

- For purposes of the payment at maturity, each of the 20 consecutive trading days beginning on, and including, the 21st scheduled trading day immediately preceding the maturity date.

Valuation Dates:

- For purposes of any payment upon optional early cash conversion, the 20 consecutive trading days beginning on, and including, the trading day immediately following the relevant Early Cash Conversion Date (as defined below).

- For purposes of the Make-Whole Payment, each of the 20 consecutive trading days beginning on, and including, the third trading day following the Effective Date (as defined below) of the relevant Make-Whole Event.

Cash Conversion:

The notes may be converted for cash at the option of investors during the ten scheduled trading days immediately following the interest payment date occurring in May of each year beginning May 1, 2019, if specified conditions are met as set forth below. Notes that are not so converted early will be converted automatically into cash on the maturity date as described below.

Cash Conversion Feature: **Investors who convert their notes for cash prior to the maturity date will not receive any payment for any accrued and unpaid interest on the Early Cash Conversion Date (as defined below), or any future interest payments. In addition, investors will not receive their payment, if any, upon any optional early cash conversion until the Optional Early Cash Conversion Payment Date (as defined below). Investors may not convert their notes for cash prior to the maturity date if a Make-Whole Event (as defined below) occurs on or after the issue date of the notes and prior to April 1, 2023.**

You may elect to convert for cash all or any portion of your notes early only if (i) a Make-Whole Event has not occurred, and (ii) the product of the Price Multiplier and the Closing Market Price (each as defined in the product supplement) of the Underlying Stock for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days immediately preceding that interest payment date is greater than or equal to 100% of the Initial Reference Price.

If you do not comply with the procedures set forth below under “Description of the Notes—Optional Early Cash Conversion” for an early conversion, your attempt to convert the notes will be deemed ineffective. Your delivery of the notice of early conversion described below will be irrevocable. Your payment upon optional early cash conversion, for each \$1,000 in principal amount of the notes, will be an amount in cash equal to the sum of the Alternative Settlement Amounts (as defined below) for each of the 20 relevant Valuation Dates and will be paid on the Optional Early Cash Conversion Payment Date.

Payment upon Optional Early Cash Conversion:

You will lose some or all of your principal amount if you convert your notes for cash early and the average of the Final Stock Prices on the relevant Valuation Dates is less than the Threshold Price.

Early Cash Conversion Date: The date on which you satisfy the requirements for early cash conversion, as set forth below under “Description of the Notes—Optional Early Cash Conversion.”

The second business day immediately following the relevant final Valuation Date.

Optional Early
Cash Conversion
Payment Date:

Alternative For each Valuation Date, an amount calculated as follows:

Settlement

Amount: $\$50 \times (\text{Final Stock Price on that Valuation Date} / \text{Threshold Price}).$

PS-4

Payment of the Notes at Maturity:

Payment at Maturity: If a Make-Whole Event does not occur on or after the issue date of the notes and prior to April 1, 2023, and the notes have not been previously converted for cash early, your payment at maturity, for each \$1,000 in principal amount of the notes, in addition to any accrued but unpaid interest, will be an amount in cash equal to the sum of the Daily Values (as defined below) for each of the 20 relevant Valuation Dates. If a Make-Whole Event occurs on or after the issue date of the notes and prior to April 1, 2023, your payment at maturity, for each \$1,000 in principal amount of the notes, in addition to any accrued but unpaid interest, will be an amount in cash equal to the principal amount.

For each Valuation Date, the greater of:

- Daily Values:
- \$50; and
 - the Alternative Settlement Amount (as defined above) for that Valuation Date

Make-Whole Event:

Make-Whole Payment: If a Make-Whole Event (as defined below, and generally relating to transactions involving the acquisition of the Underlying Company) occurs on or after the issue date of the notes and prior to April 1, 2023, you will receive on the Make-Whole Payment Date a cash payment per \$1,000 in principal amount of the notes equal to (a) the Make-Whole Event Intrinsic Value *plus* (b) the *product* of (i) the number of Additional Shares (determined as set forth below under “Description of the Notes—Make-Whole Event”) and (ii) the Applicable Price. **You will not receive any Make-Whole Payment if both (a) the average of the Final Stock Prices on the 20 relevant Valuation Dates is equal to or less than the Threshold Price and (b) the number of Additional Shares is zero.**

Make-Whole Payment Date: The third business day immediately following the relevant final Valuation Date.

Make-Whole Event Intrinsic Value: The sum of the Alternative Settlement Amounts (as defined above) for each of the 20 relevant Valuation Dates minus \$1,000. In no event will the Make-Whole Event Intrinsic Value be less than \$0.

Applicable Price: For any Make-Whole Event, (i) if the consideration paid to holders of the Underlying Stock in connection with such Make-Whole Event consists exclusively of cash, the amount of such cash per share of the Underlying Stock, and (ii) in all other cases, the average of the last reported sale prices of the Underlying Stock for the ten consecutive trading days immediately preceding the applicable Effective Date, in each case *multiplied* by the then-current Price Multiplier.

Payment at Maturity Following a Make-Whole Event: If a Make-Whole Event occurs on or after the issue date of the notes and prior to April 1, 2023, you will also receive at maturity the principal amount plus accrued and unpaid interest.

Additional Roles of MLPF&S:

Calculation Agent: Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”), an affiliate of BofA Finance.
 Selling Agent: MLPF&S

You should read carefully this entire pricing supplement, product supplement, prospectus supplement, and prospectus to understand fully the terms of the notes, as well as the tax and other considerations important to you in making a decision about whether to invest in the notes. In particular, you should review carefully the section in this pricing supplement entitled “Risk Factors,” which highlights a number of risks of an investment in the notes, to determine whether an investment in the notes is appropriate for you. If information in this pricing supplement is inconsistent with the product supplement, prospectus supplement or prospectus, this pricing supplement will supersede those documents. You are urged to consult with your own attorneys and business and tax advisors before making a decision to purchase any of the notes.

The information in this “Summary” section is qualified in its entirety by the more detailed explanation set forth elsewhere in this pricing supplement and the accompanying product supplement, prospectus supplement and prospectus. You should rely only on the information contained in this pricing supplement and the accompanying product supplement, prospectus supplement and prospectus.

PS-5

We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. None of us, the Guarantor or MLPF&S is making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this pricing supplement, the accompanying product supplement, prospectus supplement, and prospectus is accurate only as of the date on their respective front covers.

Capitalized terms used but not defined in this pricing supplement have the meanings set forth in the accompanying product supplement, prospectus supplement and prospectus. Unless otherwise indicated or unless the context requires otherwise, all references in this pricing supplement to “we,” “us,” “our,” or similar references are to BofA Finance, and not to BAC (or any other affiliate of BofA Finance).

The above documents may be accessed at the following links:

Product supplement STOCK-1 dated November 30, 2016:

<https://www.sec.gov/Archives/edgar/data/70858/000119312516780826/d304271d424b2.htm>

Series A MTN prospectus supplement dated November 4, 2016 and prospectus dated November 4, 2016:

<https://www.sec.gov/Archives/edgar/data/70858/000119312516760144/d266649d424b3.htm>

Notice to Investors in Canada

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this pricing supplement or the above-noted product supplement STOCK-1, Series A MTN prospectus supplement or prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (“NI 33-105”), MLPF&S not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

PS-6

Hypothetical Payments on the Notes

The table and hypothetical examples set forth below assume an Initial Reference Price of \$55, a Threshold Price of \$75.63 (equal to 137.5% of the hypothetical Initial Reference Price, rounded to two decimal places) and that the Final Stock Price for each of the 20 relevant Valuation Dates is as specified below. Because the Initial Reference Price will be the arithmetic average of the VWAPs of one share of the Underlying Stock over the five consecutive trading days immediately following the pricing date, the Initial Reference Price and Threshold Price will not be determined until after that fifth consecutive trading day.

For recent actual prices of the Underlying Stock, see “The Underlying Stock” section below.

The hypothetical payments set forth below are for illustrative purposes only and may not be the actual payments applicable to the notes. The actual returns applicable to a purchaser of the notes will depend on whether a Make-Whole Event occurs and, if a Make-Whole Event does not occur, the Final Stock Price of the Underlying Stock on each Valuation Date, as well as whether an optional early cash conversion occurs. If a Make-Whole Event does not occur, the payment at maturity or upon optional early cash conversion (excluding accrued but unpaid interest) will be determined over 20 relevant Valuation Dates, with each Valuation Date determining 1/20th of such payment.

If a Make-Whole Event does not occur and the notes have not been previously converted for cash:

The following table and hypothetical examples illustrate how the payment at maturity, excluding accrued but unpaid interest, is calculated if no Make-Whole Event occurs on or after the issue date of the notes and prior to April 1, 2023 and the notes have not been previously converted for cash early.

Average Final Stock Price on the Valuation Dates	Percentage Change from Initial Reference Price to Final Stock Price	Sum of Alternative Settlement Amounts	Final Payment at Maturity
\$104.50	90.00%	\$1,381.73	\$1,381.73
\$99.00	80.00%	\$1,309.00	\$1,309.00
\$93.50	70.00%	\$1,236.28	\$1,236.28
\$88.00	60.00%	\$1,163.56	\$1,163.56
\$82.50	50.00%	\$1,090.84	\$1,090.84
\$79.75	45.00%	\$1,054.48	\$1,054.48
\$77.00	40.00%	\$1,018.12	\$1,018.12 ⁽¹⁾
\$75.63	37.50%	\$1,000.00	\$1,000.00
\$71.50	30.00%	\$945.39	\$1,000.00
\$66.00	20.00%	\$872.67	\$1,000.00
\$60.50	10.00%	\$799.95	\$1,000.00
\$57.75	5.00%	\$763.59	\$1,000.00
\$55.00	0.00%	\$727.22	\$1,000.00
\$49.50	-10.00%	\$654.50	\$1,000.00 ⁽²⁾
\$44.00	-20.00%	\$581.78	\$1,000.00
\$38.50	-30.00%	\$509.06	\$1,000.00
\$35.75	-35.00%	\$472.70	\$1,000.00
\$33.00	-40.00%	\$436.33	\$1,000.00
\$27.50	-50.00%	\$363.61	\$1,000.00
\$22.00	-60.00%	\$290.89	\$1,000.00
\$16.50	-70.00%	\$218.17	\$1,000.00
\$11.00	-80.00%	\$145.44	\$1,000.00

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\$5.50	-90.00%	\$72.72	\$1,000.00
\$0.00	-100.00%	\$0.00	\$1,000.00

(1) As set forth above, the payment at maturity will only exceed the principal amount if the average of the Final Stock Price for the relevant Valuation Dates exceeds the Threshold Price.

(2) As set forth above, the payment at maturity cannot be less than the principal amount.

PS-7

Example 1: The price of the Underlying Stock increases 20% from the Initial Reference Price of \$55 to the Final Stock Price of \$66 on each Valuation Date. Because the Final Stock Price is \$66 on each Valuation Date, the Daily Value for each Valuation Date is calculated as follows:

Daily Value for each Valuation Date = the *greater of* (i) \$50 and (ii) the Alternative Settlement Amount for that Valuation Date
 = the *greater of* (i) \$50 and (ii) $\$50 \times (\$66 / \$75.63)$
 = the *greater of* (i) \$50 and (ii) \$43.6335

Because the Alternative Settlement Amount for each Valuation Date is less than \$50, the Daily Value for each Valuation Date is \$50. Consequently, the payment at maturity, which will be equal to the sum of the Daily Values for each of the 20 relevant Valuation Dates, is calculated as follows:

Payment at maturity = $\$50 \times 20$
 = \$1,000

Thus, the payment at maturity will be only \$1,000 per \$1,000 in principal amount of the notes, even though the price of the Underlying Stock has increased 20% from the Initial Reference Price to the Final Stock Price.

Example 2: The price of the Underlying Stock decreases 20% from the Initial Reference Price of \$55 to the Final Stock Price of \$44 on each Valuation Date. Because the Final Stock Price is \$44 on each Valuation Date, the Daily Value for each Valuation Date is calculated as follows:

Daily Value for each Valuation Date = the *greater of* (i) \$50 and (ii) the Alternative Settlement Amount for that Valuation Date
 = the *greater of* (i) \$50 and (ii) $\$50 \times (\$44 / \$75.63)$
 = the *greater of* (i) \$50 and (ii) \$29.0890

Because the Alternative Settlement Amount for each Valuation Date is less than \$50, the Daily Value for each Valuation Date is \$50. Consequently, the payment at maturity, which will be equal to the sum of the Daily Values for each of the 20 relevant Valuation Dates, is calculated as follows:

Payment at maturity = $\$50 \times 20$
 = \$1,000

Thus, the payment at maturity will be \$1,000 per \$1,000 in principal amount of the notes, even though the value of the Underlying Stock has decreased.

Example 3: The price of the Underlying Stock increases 80% from the Initial Reference Price of \$55 to the Final Stock Price of \$99 on each Valuation Date. Because the Final Stock Price is \$99 on each Valuation Date, the Daily Value for each Valuation Date is calculated as follows:

Daily Value for each Valuation Date = the *greater of* (i) \$50 and (ii) the Alternative Settlement Amount for that Valuation Date
 = the *greater of* (i) \$50 and (ii) $\$50 \times (\$99 / \$75.63)$
 = the *greater of* (i) \$50 and (ii) \$65.4502

Because the Alternative Settlement Amount for each Valuation Date is greater than \$50, the Daily Value for each Valuation Date is \$65.4502. Consequently, the payment at maturity, which will be equal to the sum of the Daily Values for each of the 20 relevant Valuation Dates, is calculated as follows:

Payment at maturity = $\$65.4502 \times 20$
 = \$1,309.00

Thus, the payment at maturity will be \$1,309.00 per \$1,000 in principal amount of the notes, even though the price of the Underlying Stock has increased 80% from the Initial Reference Price to the Final Stock Price.

Example 4: The price of the Underlying Stock increases from the Initial Reference Price of \$55 to a Final Stock Price of \$99 on the first 10 Valuation Dates and then decreases from \$99 to a Final Stock Price of \$44 on the remaining 10 Valuation Dates. Because the Final Stock Price is \$99 on the first 10 Valuation Dates and \$44 on the remaining 10 Valuation Dates, the Daily Value for each Valuation Date is calculated as follows:

Daily Value for each of the first 10 Valuation Dates = the *greater of* (i) \$50 and (ii) the Alternative Settlement Amount for that Valuation Date
 = the *greater of* (i) \$50 and (ii) $\$50 \times (\$99 / \$75.63)$
 = the *greater of* (i) \$50 and (ii) \$65.4502

Daily Value for each of the remaining 10 Valuation Dates = the *greater of* (i) \$50 and (ii) the Alternative Settlement Amount for that Valuation Date
 = the *greater of* (i) \$50 and (ii) $\$50 \times (\$44 / \$75.63)$
 = the *greater of* (i) \$50 and (ii) \$29.0890

Because the Alternative Settlement Amount for each of the first 10 Valuation Dates with a Final Stock Price of \$99 is greater than \$50, the Daily Value for each of those Valuation Dates is \$65.4502. Because the Alternative Settlement Amount for each of the remaining 10 Valuation Dates with a Final Stock Price of \$44 is less than \$50, the Daily Value for each of those Valuation Dates is \$50. The sum of the Daily Values for the first 10 Valuation Dates with a Final Stock Price of \$99 is \$654.5020, and the sum of the Daily Values for the 10 Valuation Dates with a Final Stock Price of \$44 is \$500. Consequently, the payment at maturity, which will be equal to the sum of the Daily Values for each of the 20 relevant Valuation Dates, is calculated as follows:

Payment at maturity = $(\$65.4502 \times 10) + (\$50 \times 10)$
 = \$1,154.50

Thus, the payment at maturity will be \$1,154.50 per \$1,000 in principal amount of the notes, even though the price of the Underlying Stock appreciated by 80% from the Initial Reference Price to the Final Stock Price for 10 of the Valuation Dates.

PS-9

If the notes have been previously converted for cash early:

The following hypothetical examples illustrate how the payment upon optional early cash conversion, which excludes accrued but unpaid interest, is calculated.

Example 1: The price of the Underlying Stock increases 20% from the Initial Reference Price of \$55 to the Final Stock Price of \$66. The Alternative Settlement Amounts for each Valuation Date is calculated as follows:

$$\begin{aligned} \text{Alternative Settlement Amounts for each Valuation Date} &= \$50 \times (\$66 / \$75.63) \\ &= \$43.6335 \end{aligned}$$

The payment upon optional early cash conversion, which will be equal to the sum of the Alternative Settlement Amounts for each of the 20 relevant Valuation Dates, is calculated as follows:

$$\begin{aligned} \text{Payment upon optional early cash conversion} &= \$43.6335 \times 20 \\ &= \$872.67 \end{aligned}$$

Thus, the payment upon optional early cash conversion will be only \$872.67 per \$1,000 in principal amount of the notes, even though the price of the Underlying Stock has increased 20% from the Initial Reference Price to the Final Stock Price.

Example 2: The price of the Underlying Stock decreases 20% from the Initial Reference Price of \$55 to the Final Stock Price of \$44. The Alternative Settlement Amounts for each Valuation Date is calculated as follows:

$$\begin{aligned} \text{Alternative Settlement Amounts for each Valuation Date} &= \$50 \times (\$44 / \$75.63) \\ &= \$29.0890 \end{aligned}$$

The payment upon optional early cash conversion, which will be equal to the sum of the Alternative Settlement Amounts for each of the 20 relevant Valuation Dates, is calculated as follows:

$$\begin{aligned} \text{Payment upon optional early cash conversion} &= \$29.0890 \times 20 \\ &= \$581.78 \end{aligned}$$

Thus, the payment upon optional early cash conversion will be only \$581.78 per \$1,000 in principal amount of the notes, even though the price of the Underlying Stock has only decreased 20% from the Initial Reference Price to the Final Stock Price.

Example 3: The price of the Underlying Stock increases 80% from the Initial Reference Price of \$55 to the Final Stock Price of \$99. The Alternative Settlement Amounts for each Valuation Date is calculated as follows:

$$\begin{aligned} \text{Alternative Settlement Amounts for each Valuation Date} &= \$50 \times (\$99 / \$75.63) \\ &= \$65.4502 \end{aligned}$$

The payment upon optional early cash conversion, which will be equal to the sum of the Alternative Settlement Amounts for each of the 20 relevant Valuation Dates, is calculated as follows:

$$\begin{aligned} \text{Payment upon optional early cash conversion} &= \$65.4502 \times 20 \\ &= \$1,309.00 \end{aligned}$$

Thus, the payment upon optional early cash conversion will be \$1,309.00 per \$1,000 in principal amount of the notes, even though the price of the Underlying Stock has increased 80% from the Initial Reference Price to the Final Stock Price.

Example 4: The price of the Underlying Stock increases from the Initial Reference Price of \$55 to a Final Stock Price of \$99 on the first 10 Valuation Dates and then decreases from \$99 to a Final Stock Price of \$44 on the remaining 10 Valuation Dates. The Alternative Settlement Amounts for each Valuation Date is calculated as follows:

$$\begin{aligned} \text{Alternative Settlement Amounts for each of the first 10 Valuation Dates} &= \$50 \times (\$99 / \$75.63) \\ &= \$65.4502 \end{aligned}$$

$$\begin{aligned} \text{Alternative Settlement Amounts for each of the remaining 10 Valuation Dates} &= \$50 \times (\$44 / \$75.63) \\ &= \$29.0890 \end{aligned}$$

The sum of the Alternative Settlement Amounts for the 10 Valuation Dates with a Final Stock Price of \$99 is \$654.50, and the sum of the Alternative Settlement Amounts for the 10 Valuation Dates with a Final Stock Price of \$44 is \$290.89. Consequently, the payment upon optional early cash conversion, which will be equal to the sum of the Alternative Settlement Amounts for each of the 20 relevant Valuation Dates, is calculated as follows:

$$\begin{aligned} \text{Payment upon optional early cash conversion} &= (\$65.4502 \times 10) + (\$29.0890 \times 10) \\ &= \$945.39 \end{aligned}$$

Thus, the payment upon optional early cash conversion will be \$945.39 per \$1,000 in principal amount of the notes, even though the Underlying Stock has appreciated by 80% from the Initial Reference Price to the Final Stock Price for 10 of the Valuation Dates.

PS-11

If a Make-Whole Event occurs:

The following hypothetical example illustrates how the Make-Whole Payment is calculated if a Make-Whole Event occurs on or after the issue date of the notes and prior to April 1, 2023. You will not receive any Make-Whole Payment if the average of the Final Stock Prices on the 20 relevant Valuation Dates is equal to or less than the Threshold Price and the number of Additional Shares is zero. The Applicable Price and Additional Shares below are hypothetical and for illustrative purposes only. The actual Applicable Price will be determined after a Make-Whole Event occurs, and the Additional Shares will be determined by reference to the make-whole table as set forth below under “Description of the Notes—Make-Whole Event,” which will be determined after the fifth consecutive trading day immediately following the pricing date.

Example: A Make-Whole Event occurs on May 1, 2020. The Applicable Price for the Make-Whole Event is \$60 and the Additional Shares, determined by reference to the make-whole table below, are one share. The price of the Underlying Stock increases 20% from the Initial Reference Price of \$55 to the Final Stock Price of \$66 on each Valuation Date. Because a Make-Whole Event occurs prior to April 1, 2023, you will receive on the Make-Whole Payment Date a cash payment per \$1,000 in principal amount of the notes equal to (a) the Make-Whole Event Intrinsic Value, which is the sum of the Alternative Settlement Amounts for each of the 20 relevant Valuation Dates minus the principal amount of \$1,000 plus (b) the product of (i) the number of Additional Shares and (ii) the Applicable Price.

Because the Final Stock Price is \$66 on each Valuation Date, the Alternative Settlement Amount for each Valuation Date is calculated as follows:

$$\begin{aligned} \text{Alternative Settlement Amount for each Valuation Date} &= \$50 \times (\$66 / \$75.63) \\ &= \$43.6335 \end{aligned}$$

Because the sum of the Alternative Settlement Amounts is \$872.67, which is less than the principal amount of \$1,000, the Make-Whole Event Intrinsic Value is \$0 and the Make-Whole Payment is \$60 per \$1,000 in principal amount of the notes, calculated using the Applicable Price of \$60 and assuming the number of Additional Shares determined by reference to the make-whole table below is one share.

$$\begin{aligned} \text{Make-Whole Event Intrinsic Value} &= \text{the greater of (i) } \$0 \text{ and (ii) } (20 \times \$43.6335) - \\ &\quad \$1,000 \\ &= \$0 \end{aligned}$$

$$\begin{aligned} \text{Make-Whole Payment} &= \text{Make-Whole Event Intrinsic Value} + (\text{Additional Shares} \times \text{Applicable Price}) \\ &= \$0 + (1 \times \$60) \\ &= \$60 \end{aligned}$$

As a result, you will receive on the Make-Whole Payment Date a cash payment of \$60 per \$1,000 in principal amount of the notes as the Make-Whole Payment. For the avoidance of doubt, you will also receive at maturity a cash payment of \$1,000 per \$1,000 in principal amount of the notes and any accrued but unpaid interest.

risk factors

Your investment in the notes entails significant risks, many of which differ from those of a conventional debt security. Your decision to purchase the notes should be made only after carefully considering the risks of an investment in the notes, including those discussed below and in the accompanying product supplement, with your advisors in light of your particular circumstances. The notes are not an appropriate investment for you if you are not knowledgeable about significant elements of the notes or financial matters in general.

The notes may pay less than the principal amount plus interest payments. If a Make-Whole Event occurs as described in this document, you will receive on the Make-Whole Payment Date a cash payment calculated based on the Final Stock Price of the Underlying Stock over 20 relevant Valuation Dates and the number of Additional Shares that is designed to approximate some of the lost value of your notes as a result of that event. If you hold the notes to maturity and do not exercise the option to convert your notes for cash early, a Make-Whole Event does not occur and the Final Stock Price on each Valuation Date is less than or equal to the Threshold Price, you will receive no more than the principal amount of your notes, in addition to any accrued but unpaid interest. You will not otherwise be compensated for any loss in value due to inflation and other factors relating to the value of money over time. However, as set forth in this pricing supplement, you will lose some or all of your principal amount if you convert your notes for cash early and the average of the Final Stock Prices on the relevant Valuation Dates is less than the Threshold Price.

Your return on the notes may be less than the yield on a conventional debt security of comparable maturity. Any return that you receive on the notes, which could be negative, may be less than the return you would earn if you purchased a conventional debt security with the same maturity date. As a result, your investment in the notes may not reflect the full opportunity cost to you when you consider factors, such as inflation, that affect the time value of money.

You will not participate in the full appreciation of the Underlying Stock. If a Make-Whole Event occurs as described in this document, you will receive on the Make-Whole Payment Date a cash payment calculated based on the Final Stock Price of the Underlying Stock over 20 relevant Valuation Dates and the number of Additional Shares that is designed to approximate some of the lost value of your notes as a result of such event. Following the occurrence of a Make-Whole Event, you will not participate in any appreciation of the Underlying Stock prior to maturity, which may be significant. Even if a Make-Whole Event does not occur and the Final Stock Price on one or more Valuation Dates is greater than the Threshold Price, the payment on the notes at maturity or upon an optional early cash conversion in respect of any Valuation Date will reflect only appreciation of the Underlying Stock on that Valuation Date in excess of the Threshold Price. For example, based on the Threshold Price of 137.5% of the Initial Price, if the applicable Final Price for all of the Valuation Dates were equal to 171.89% of the Initial Reference Price, the payment on the notes would be only \$1,250 per \$1,000 in principal amount of the notes, for a return of 25%, even though the Underlying Stock appreciated 71.89% from the Initial Reference Price. In addition, because the payment upon an optional early cash conversion on any Valuation Date will equal the Alternative Settlement Amount for that Valuation Date instead of the greater of \$50 and that Alternative Settlement Amount, the payment that you receive if you elect to convert your notes for cash early will be less than the comparable payment you would have received had you held your notes to maturity (assuming, for these purposes, that the Valuation Dates were the same for an optional early cash conversion as they were for notes held to maturity) if the Final Stock Price is below the Threshold Price on any of the 20 relevant Valuation Dates.

In contrast, a direct investment in the Underlying Stock would allow you to receive the benefit of any appreciation in its value. Thus, any return on the notes will not reflect the return you would realize if you actually owned shares of the Underlying Stock and received the dividends paid or distributions made on them.

Upon the occurrence of a Make-Whole Event, the Make-Whole Payment may not adequately compensate you for any lost value of the notes as a result of that transaction. If a Make-Whole Event occurs on or after the issue

date of the notes and prior to April 1, 2023, you will receive on the Make-Whole Payment Date a cash payment per \$1,000 in principal amount of the notes equal to the Make-Whole Event Intrinsic Value plus the product of the number of Additional Shares and the Applicable Price. The number of Additional Shares will be determined based on the Effective Date (as defined below) of the Make-Whole Event and the Applicable Price, which is the consideration paid (or deemed to be paid) per share of the Underlying Stock in that transaction. The Make-Whole Payment may not adequately compensate you for any lost value of your notes as a result of that transaction. In addition, if the consideration paid (or deemed paid) per share of the Underlying Stock in the transaction (a) is greater than the highest Applicable Price that will be set forth in the make-whole table set forth below or (b) less than the Initial Reference Price, then the number

PS-13

of Additional Shares will be zero. In addition, our payment obligation with respect to the Additional Shares could be considered a penalty, in which case its enforceability would be subject to general principles of reasonableness and equitable remedies under applicable law.

If you convert your notes for cash early, you will lose some or all of the principal amount of your notes unless the average of the Final Stock Prices on the relevant Valuation Dates exceeds or equals the Threshold Price. If you elect to convert your notes for cash early, the payment that you receive on the Optional Early Cash Conversion Payment Date will be an amount in cash equal to the sum of the Alternative Settlement Amounts for each of the 20 relevant Valuation Dates. As a result, if you elect to convert your notes for cash early, and if the average of the Final Stock Prices on the relevant Valuation Dates is less than the Threshold Price, the sum of the Alternative Settlement Amounts will be less than \$1,000 per \$1,000 principal amount of the notes, and the payment that you receive on the Optional Early Cash Conversion Payment Date will be less than the principal amount. Accordingly, you may lose some or all of your principal amount upon an optional early cash conversion. Based on the Threshold Price of 137.5% of the Initial Reference Price, the average of the Final Stock Prices of the Underlying Stock on the relevant Valuation Dates will need to appreciate by at least 37.5% from the Initial Reference Price in order for you to receive at least your principal amount upon optional early cash conversion. In addition, because the payment upon an optional early cash conversion on any Valuation Date will equal the Alternative Settlement Amount for that Valuation Date instead of the greater of \$50 and that Alternative Settlement Amount, the payment that you receive if you elect to convert your notes for cash early will be less than the comparable payment you would have received had you held your notes to maturity (assuming, for these purposes, that the Valuation Dates were the same for an optional early cash conversion as they were for notes held to maturity) if the Final Stock Price is below the Threshold Price on any of the 20 relevant Valuation Dates. Furthermore, you will not receive any further interest payments after the applicable Early Cash Conversion Date or any separate payment for any accrued and unpaid interest through the applicable Early Cash Conversion Date.

Because your request that to convert your notes early is irrevocable, you will be subject to market risk if the market for the Underlying Stock fluctuates after we receive your request.

Upon any Optional Early Cash Conversion of the notes, you may receive less cash than expected because the VWAP of the Underlying Stock may decline after you exercise your early cash conversion right but before we settle our cash conversion obligation. If you elect to convert your notes for cash early, you will be exposed to fluctuations in the VWAP of the Underlying Stock during the period from the date you surrender your notes for cash conversion until the Optional Early Cash Conversion Payment Date. Upon any optional early cash conversion, the amount of cash that you will receive will be determined by reference to the VWAP of one share of the Underlying Stock over a period of 20 Valuation Dates beginning on, and including, the trading day immediately following the Early Cash Conversion Date. Accordingly, if the VWAP of the Underlying Stock decreases during this period, the amount of cash you receive will be adversely affected, and you may lose some or all of your principal amount.

The Initial Reference Price and Threshold Price will not be determined until after the fifth consecutive trading day immediately following the pricing date. Because the Initial Reference Price will be the arithmetic average of the VWAPs of one share of the Underlying Stock over the five consecutive trading days immediately following the pricing date, the Initial Reference Price will not be determined until after that fifth consecutive trading day. Accordingly, you will not know the Initial Reference Price or the Threshold Price until after the pricing date. The VWAP of one share of the Underlying Stock may increase or decrease during the five consecutive trading day period immediately following the pricing date, and there is no assurance that the Initial Reference Price will be similar to, less than or greater than the VWAP of one share of the Underlying Stock on the pricing date. In addition, we expect to hedge our obligations under the notes in connection with the sale of the notes, including by purchasing shares of the Underlying Stock and/or entering into derivatives linked to the Underlying Stock during that five consecutive trading day period. Your return on the notes may be adversely affected by any increase in the VWAP of one share of the Underlying Stock during this five consecutive trading day period, which would result in a higher Initial Reference Price and a higher Threshold Price for the notes.

You will only be able to convert your notes for cash under limited circumstances prior to maturity. On any business day during the ten scheduled trading days immediately following the interest payment date occurring in May of each year beginning May 1, 2019, you may convert your notes for cash only if specified conditions are met, as set forth below under “Description of the Notes—Optional Early Cash Conversion.” If the specific conditions for early cash conversion are not met, you will not be able to convert your notes for cash early, and you may not be able to receive the amount of cash into which the

PS-14

notes would otherwise be convertible. The calculation agent will have the sole authority to determine whether the conditions have been satisfied.

You will not receive the payment upon any early cash conversion until the Optional Early Cash Conversion Payment Date, even though you must surrender your notes for early cash conversion in advance. Under the notes, if you elect to convert your notes for cash early, you will receive your early cash conversion payment on the Optional Early Cash Conversion Payment Date, which is the second business day immediately following the period of 20 Valuation Dates following the Early Cash Conversion Date on which you must surrender your notes for early cash conversion. Because of the timing requirements of an early cash conversion, our required payment will result in your receipt of the required payment after a longer period than a typical sale and settlement in the secondary market.

The Alternative Settlement Amount is linked to the VWAP of one share of the Underlying Stock. The Alternative Settlement Amount for each Valuation Date is calculated by reference to the VWAP of one share the Underlying Stock on that Valuation Date and not by reference to the closing price of one share of the Underlying Stock on that Valuation Date. The closing price of one share of the Underlying Stock may vary significantly from its VWAP. Accordingly, if the VWAP of one share of the Underlying Stock is less than its closing price on the relevant Valuation Date and if the Make-Whole Payment or your payment at maturity is based on the Alternative Settlement Amount in respect of any Valuation Date, or in the case of any payment upon an optional early cash conversion, that payment will be less than it would have been if the Alternative Settlement Amount were calculated by reference to the closing price of the Underlying Stock on the relevant Valuation Date.

Payments on the notes are subject to our credit risk and the credit risk of the Guarantor, and actual or perceived changes in our or the Guarantor's creditworthiness are expected to affect the value of the notes. The notes are our senior unsecured debt securities. All payments on the notes will be fully and unconditionally guaranteed by the Guarantor. The notes are not guaranteed by any entity other than the Guarantor. As a result, your receipt of all payments on the notes will be dependent upon our ability and the ability of the Guarantor to repay our obligations under the notes on the applicable payment dates, regardless of how the Underlying Stock performs. No assurance can be given as to what our financial condition or the financial condition of the Guarantor will be at any time during the term of the notes. If we and the Guarantor become unable to meet our respective financial obligations as they become due, you may not receive the amounts payable under the terms of the notes.

In addition, ou