BASE PROSPECTUS DATED 8 OCTOBER 2015

BNP PARIBAS

BNP Paribas Arbitrage Issuance B.V.

(*incorporated in The Netherlands*)

(*as Issuer*)

BNP Paribas

(*incorporated in France*)

(*as Issuer and Guarantor*)

Note, Warrant and Certificate Programme

This document (the "**Base Prospectus**"), together with supplements to this Base Prospectus from time to time (each a "**Supplement**" and together the "**Supplements**"), constitutes a base prospectus in respect of the Programme (as defined below). Any Securities (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions herein. This does not affect any Securities issued before the date of this Base Prospectus. This Base Prospectus has not been approved as a prospectus for the purposes of the Prospectus Directive. "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area. This Base Prospectus constitutes an "issuance programme" for the purpose of the listing rules of SIX Swiss Exchange Ltd (the "**SIX Listing Rules**"), as supplemented by the Additional Rules for the Listing of Derivatives (the "**Additional Listing Rules for Derivatives**") and the Additional Rules for the Listing of Bonds ("**Additional Listing Rules for Bonds**") and collectively with the SIX Listing Rules and the Additional Listing Rules for Derivatives, the "**Listing Rules**").

Under the terms of the Note, Warrant and Certificate Programme (the "**Programme**"), BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") may from time to time issue notes ("**Notes**") and each of BNPP B.V. and BNP Paribas ("**BNPP**" or the "**Bank**" and, together with BNPP B.V., the "**Issuers**" and each an "**Issuer**") may from time to time issue warrants ("**Warrants**") or certificates ("**Certificates**" and, together with the Notes and the Warrants, "**Securities**") of any kind including, but not limited to, Notes, Warrants or Certificates relating to a specified index or a basket of indices, a specified share, global depositary receipt ("**GDR**") or American depositary receipt ("**ADR**") or a basket of shares, ADRs and/or GDRs, a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or other exchange traded product (each an "**exchange traded instrument**") or a basket of interests in exchange traded instruments, a specified debt instrument or a basket of debt instruments, a specified debt futures or debt options contract or a basket of debt futures or debt options contracts, a specified currency or a basket of currencies, a specified commodity or commodity index, or a basket of commodities and/or commodity indices, a specified inflation index or a basket of inflation indices, a specified fund share or unit or basket of fund shares or units, a specified futures contract or basket of futures contracts, or the credit of a specified entity or entities, open end Certificates ("**Open End Certificates**") and open end turbo Certificates ("**OET Certificates**") and any other types of Securities including hybrid Securities whereby the underlying asset(s) may be any combination of such indices, shares, interests in exchange traded instruments, debt, currency, commodities, inflation indices, fund shares or units, future contracts, credit of specified entities, or other asset classes or types. Each issue of Securities will be issued on the terms set out herein which are relevant to such Securities under "*Terms and Conditions of the Notes*" in respect of Notes (the "**Note Conditions**") or "*Terms and Conditions of the W&C Securities*" in respect of W&C Securities (the "**W&C Security Conditions**", and together with the Note Conditions, the "**Conditions**") and, in each case, on such final terms as will be set out in the final terms to be issued in respect of such Securities (the "**Final Terms**"), a form of which is contained in this Base Prospectus.

Application has been made to SIX Swiss Exchange Ltd ("**SIX Swiss Exchange**") to approve this document as an "issuance programme" for the listing of derivatives and bonds in accordance with the Listing Rules. For the purposes of such listing on SIX Swiss Exchange, this Base Prospectus and the relevant Final Terms will constitute the listing prospectus pursuant to the Listing Rules.

The Securities shall be governed by either English law ("**English Law Securities**") or French law ("**French Law Securities**"), as specified in the relevant Final Terms, and the corresponding provisions in the Conditions will apply to such Securities.

Securities issued under this Programme are unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves. Securities issued by BNPP B.V. will be guaranteed by BNPP (in such capacity, the "**Guarantor**") pursuant to either (i) a Deed of Guarantee in respect of English Law W&C Securities (the "**English Law Guarantee for W&C Securities**") and a Deed of Guarantee in respect of Notes (the "**English Law Notes Guarantee**", and together with the English Law Guarantee for W&C Securities, the "**English Law Guarantees**") or (ii) a *garantie* in respect of French Law Securities (the "**French Law Guarantee**") and, together with the "**English Law Guarantees**", the " **Guarantees**"), the forms of which are set out herein.

Each of BNPP B.V. and BNPP has a right of substitution as set out herein.

A description of the Final Terms (which for the avoidance of doubt may be issued in respect of more than one series of Securities) is set out herein and will specify with respect to each issue of Securities to which it relates, *inter alia*, the specific designation of the Securities, the aggregate number and type of the Securities, the date of issue of the Securities, the issue price, the underlying asset, index, fund, reference entity or other item(s) to which the Securities relate, the exercise period or date (in the case of Warrants), the redemption date (in the case of Certificates), the maturity date (in the case of Notes), whether they are interest bearing, partly paid, redeemable in instalments (in the case of Notes or Certificates), exercisable (on one or more exercise dates) (in the case of Notes or Certificates), the governing law of the Securities and certain other terms relating to the offering and sale of the Securities.

Each issue of Securities will entitle the holder thereof on due exercise (in the case of Warrants) or on the Instalment Date(s) and/or the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) either to receive a cash amount (if any) calculated in accordance with the relevant terms or to receive physical delivery of the underlying assets (against payment of a specified sum in the case of Warrants), all as set forth herein and in the applicable Final Terms.

Any terms and conditions not contained herein which are applicable to each Series (as defined in the Conditions) of Securities will be set out in the applicable Final Terms which, with respect to Securities to be listed on SIX Swiss Exchange, will be delivered to SIX Swiss Exchange and published in accordance with the rules and regulations of SIX Swiss Exchange, as amended from time to time.

The Securities do not constitute collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA"). Accordingly, holders of the Securities do not benefit from protection under the CISA or supervision by the Swiss Financial Market Supervisory Authority ("FINMA"). Further, investors are exposed to the Issuer's and the Guarantor's insolvency risk.

If and to the extent the Securities will be listed on SIX Swiss Exchange, no simplified prospectus in the meaning of Article 5 para. 2 CISA in accordance with Article 4 para. 4 of the Swiss Federal Ordinance on Collective Investment Schemes ("CISO") must be prepared.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See "Risk Factors" herein.

In particular, the Securities and the Guarantees and, in the case of Physical Delivery Notes, Physical Delivery Warrants or Physical Delivery Certificates (each as defined below) (together, the "Physical Delivery Securities"), the Entitlement (as defined herein) to be delivered upon the exercise (in the case of Physical Delivery Warrants) or the redemption (in the case of Physical Delivery Notes or Physical Delivery Certificates) of such Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. Furthermore, neither the sale of nor trading in the Securities has been approved by the Commodity Futures Trading Commission ("CFTC") under the United States Commodity Exchange Act of 1936, as amended ("CEA") and no U.S. person (as defined herein) may at any time purchase, trade, exercise or maintain a position in the Securities. Neither Issuer has registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). The Securities are being offered and sold in reliance on Regulation S under the Securities Act ("Regulation S") and pursuant to CFTC regulations and guidance. No Securities of such series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined herein) and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person (as defined herein) will not be recognised. The Securities of such series may not be legally or beneficially owned at any time by any U.S. person (as defined herein), and accordingly are being offered and sold outside the United States to persons that are not U.S. persons (as defined herein) in reliance on Regulation S and pursuant to CFTC regulations and guidance.

Notwithstanding the provisions of this Base Prospectus to the contrary, neither this Base Prospectus nor any copy hereof may be sent, taken into or distributed in the United States or to any U.S. person (as defined herein) or in any other jurisdiction except under circumstances that will result in compliance with the applicable laws thereof. This Base Prospectus may not be reproduced either in whole or in part, without the written permission of the Issuer.

As used herein, "U.S. person" means a person that is any one or more of the following: (1) a "U.S. person" as defined in Regulation S, (2) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC under the CEA, or (3) a person other than a "Non-United States person" as defined in CFTC Rule 4.7 or (4) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the CEA, in each case, as such definition may be amended, modified or supplemented from time to time.

For a description of certain further restrictions on offers and sales of the Securities and on the distribution of this Base Prospectus, see "*Offering and Sale*" below.

Application has been made to SIX Swiss Exchange for the registration of this Base Prospectus as an issuance programme under the Listing Rules and application may be made for Securities issued under the Programme to be listed on SIX Swiss Exchange and admitted to trading on the relevant market of SIX Swiss Exchange. References in this Base Prospectus to Securities being "listed" (and all related references) shall mean that such Securities have been listed and admitted to trading on SIX Swiss Exchange as "derivatives" pursuant to the Additional Listing Rules for Derivatives or "bonds" pursuant to the Additional Listing Rules for Bonds. The applicable Final Terms will specify whether or not Securities are to be listed on SIX Swiss Exchange and, if relevant, will include information on the relevant market segment of the stock exchange on which the Securities are to be listed. However, this Base Prospectus has not been approved as a base prospectus for the purposes of the Prospectus Directive and, accordingly, no offer to the public may be made and no admission to trading may be applied for on any market in the European Economic Area ("**EEA**") designated as a regulated market, in each case for the purposes of the Prospectus Directive. Securities may only be issued under this Programme in circumstances where no prospectus is required to be published under the Prospectus Directive (see "Offering and Sale" below). Each Issuer may also issue unlisted Securities.

The Securities are cleared through SIX SIS Ltd. ("**SIS**"). The Securities may be issued under this issuance programme in certificated or uncertificated form (reference is made to Note Condition 1 and W&C Security Condition 2). Except as described herein, no definitive Securities will be issued. English Law Securities will be issued in certificated form, represented by a global security (a "**Permanent Global Security**"), which will be deposited with SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange on or prior to the issue date of the relevant Securities. French Law Securities will be issued (i) in uncertificated and dematerialised form (*au porteur*) only and registered (*inscription en compte*) with SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange on or prior to the issue date of the relevant Securities, and (ii) entirely outside France. No physical document of title will be issued in respect of French Law Securities and be made available in France.

The rating of certain series of Securities to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant series of Securities will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") will be disclosed in the applicable Final Terms. Please also refer to "*Credit Ratings may not Reflect all Risks*" in the Risk Factors section of this Base Prospectus.

In relation to each separate issue of Securities, the final offer price and the amount of such Securities will be determined by the Issuer and the relevant manager in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms.

No person is authorised to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by BNPP B.V., BNPP or any manager of an issue of Securities, including BNPP Securities Corp. (as applicable to such issue of Securities, each a "**Manager**"). This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of this document in any jurisdiction where any such action is required.

This document is to be read and construed in conjunction with any Final Terms and with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below).

Warrants create options exercisable by the relevant holder or which will be automatically exercised as provided herein. There is no obligation on the relevant Issuer to pay any amount or deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Warrants are automatically exercised and, where applicable, an Exercise Notice is duly delivered. The Warrants will be exercisable in the manner set forth herein and in the applicable Final Terms. Warrants will be settled by payment of the Cash Settlement Amount (in the case of Cash Settled Warrants) and/or by delivery of the Entitlement (in the case of Physically Settled Warrants).

Notes and Certificates will be redeemed on each instalment date and/or the maturity date (in the case of Notes) or the redemption date (in the case of Certificates) by payment of one or more Instalment Amount or Final Redemption Amount (in the case of Notes), Cash Settlement Amount(s) (in the case of Cash Settled Certificates) and/or by delivery of the Entitlement (in the case of Physically Settled Certificates or Physically Settled Notes). The Securities of each issue may be sold by the relevant Issuer and/or any Manager at such time and at such prices as the Issuer and/or the Manager(s) may select. There is no obligation upon the relevant Issuer or any Manager to sell all of the Securities of any issue. The Securities of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the relevant Issuer.

Subject to the restrictions set forth herein, each Issuer shall have complete discretion as to what type of Securities it issues and when.

No Manager has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by BNPP B.V. and/or BNPP. The Manager(s) accept no liability in relation to the information contained in this Base Prospectus or any other information provided by BNPP B.V. and/or BNPP in connection with the Programme.

BNPP B.V. and BNPP have not investigated, and do not have access to information that would permit them to ascertain, whether any company that has issued equity, debt or other instruments to which any U.S. Securities relate is a passive foreign investment company for U.S. tax purposes. Prospective investors in any U.S. Securities that are U.S. taxpayers should consult their own advisers concerning U.S. tax considerations relevant to an investment in such U.S. Securities.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Securities should be considered as a recommendation by BNPP B.V., BNPP or any Manager that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of BNPP B.V. and/or BNPP. Neither this

Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer or an invitation by or on behalf of BNPP B.V. or BNPP or the Managers or any other person to subscribe for or to purchase any Securities.

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

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of BNPP B.V., BNPP or any Manager to subscribe for or purchase any securities. The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning BNPP B.V. or BNPP is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Manager undertakes to review the financial condition or affairs of BNPP B.V. or BNPP during the life of the Programme. Investors should review, *inter alia*, the most recently published audited annual non-consolidated financial statements and interim financial statements of BNPP B.V. and/or the most recently published audited annual consolidated financial statements, unaudited semi-annual interim consolidated financial statements and quarterly financial results of BNPP, when deciding whether or not to purchase any Securities.

The distribution of this Base Prospectus and the offering of Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by BNPP B.V., BNPP and each Manager to inform themselves about and to observe any such restrictions.

In this Base Prospectus references to U.S.$ and U.S. dollars are to United States dollars, references to euro, € and EUR are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

FORWARD-LOOKING STATEMENTS

The section of this Base Prospectus entitled "*Description of BNP Paribas Arbitrage Issuance B.V and BNPP.*", the Registration Documents (as defined below) and the other documents incorporated by reference (such sections being the "**BNP Paribas Disclosure**"), contain forward-looking statements. BNP Paribas and the BNP Paribas Group (being BNP Paribas together with its consolidated subsidiaries, the "**Group**") may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Bank's and/or Group's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Bank and the Group undertake no obligation to update publicly any of them in light of new information or future events.

PRESENTATION OF FINANCIAL INFORMATION

Most of the financial data presented, or incorporated by reference, in this Base Prospectus are presented in euros.

The audited consolidated financial statements of BNPP for the years ended 31 December 2013 and 31 December 2014 have been prepared in accordance with international financial reporting standards ("**IFRS**"), as adopted by the European Union. IFRS differs in certain significant respects from generally accepted accounting principles in the United States ("**U.S. GAAP**"). The Group has made no attempt to quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of the BNP Paribas Group, the terms of an offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and how those differences might affect the information herein. The Group's fiscal year ends on 31 December and references in the BNPP 2013 Registration Document, the BNPP 2014 Registration Document (in each case, as defined in "*Documents Incorporated by Reference*" below) and any update to the BNPP 2014 Registration Document (in each case, incorporated by reference herein) to any specific fiscal year are to the 12-month period ended 31 December of such year.

Due to rounding, the numbers presented throughout the BNP Paribas Disclosure and in the table under the heading "Capitalisation of BNPP and the BNP Paribas Group" in the General Information section below may not add up precisely, and percentages may not reflect precisely absolute figures.

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OVERVIEW

This overview must be read as an introduction to this Base Prospectus. Any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of a European Economic Area State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in "Risk Factors", in the applicable Conditions and in the applicable Final Terms shall have the same meanings in this overview.

Issuers

BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**")

BNP Paribas ("**BNPP**" or the "**Bank**", and together with its consolidated subsidiaries, the "**Group**")

Guarantor

BNP Paribas

Description of BNPP B.V.

1. Key information on BNPP B.V.:

BNPP B.V. is a private company with limited liability under Dutch law whose purpose and principal objectives are to issue and/or acquire financial instruments of any nature and to enter into related agreements for the account of various entities within the Group.

2. Share capital as of 31 December 2014:

Its authorised share capital as of 31 December 2014 amounts to EUR 225,000 divided into 225,000 shares of EUR 1 each. Its fully paid-up and issued share capital as of 31 December 2014 amounts to EUR 45,379 divided into 45,379 shares of EUR 1 each.

3. Selected key financial information:

Comparative Annual Financial Data

In EUR

	31/12/2014	**31/12/2013**
Revenues	432,263	397,608
Net income, Group share	29,043	26,749
Total balance sheet	64,804,833,465	48,963,076,836
Shareholders' equity (Group share)	445,206	416,163

Comparative Interim Financial Data

In EUR

	30/06/2015	**30/06/2014**
Revenues	158,063	218,961
Net income, Group share	10,233	14,804
	30/06/2015	**31/12/2014**
Total balance sheet	51,184,742,227	64,804,833,465
Shareholders' equity (Group share)	455,439	445,206

Description of BNPP

1. Key information on BNPP:

BNPP is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 75 countries and has almost 188,000 employees, including over 147,000 in Europe. BNPP is the parent company of the BNP Paribas Group (the "**Group**").

2. Share capital as of 10 July 2015:

EUR 2,492,372,484 divided into by 1,246,186,242 fully paid-up shares with a par of EUR 2 each.

3. Main activities and markets:

BNP Paribas holds key positions in its two main businesses:

(i) **Retail Banking and Services, which includes**:

- Domestic Markets, comprising:
  - French Retail Banking (FRB),
  - BNL banca commerciale (BNL bc), Italian retail banking,
  - Belgian Retail Banking (BRB),
  - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
- International Financial Services, comprising:
  - Europe-Mediterranean,
  - BancWest,
  - Personal Finance,
  - Insurance,

- Wealth and Asset Management,

(ii) **Corporate and Institutional Banking (CIB)** which includes:

- Corporate Banking,
- Global Markets,
- Securities Services,

4. Selected key financial information:

Comparative Annual Financial Data

In millions of EUR

	31/12/2014* (audited)	**31/12/2013* (audited)**
Revenues	39,168	37,286
Cost of risk	(3,705)	(3,643)
Net income, Group share	157	4,818

* *Restated following the application of accounting standards IRFS10, 1FRS11 and IAS32, revised*.

	31/12/2014	**31/12/2013***
Common Equity Tier 1 Ratio (Basel 3 fully loaded, CRD4)	10.3%	10.3%

	31/12/2014 (audited)	**31/12/2013* (audited)**
Total consolidated balance sheet	2,077,759	1,810,522
Consolidated loans and receivables due from customers	657,403	612,455
Consolidated items due to customers	641,549	553,497
Shareholders' equity (Group share)	89,410	87,433

* *Restated following the application of accounting standards IFRS10, IFRS11 and IAS 32 revised*.

Comparative Interim Financial Data for the six month period ended 30 June 2015 – In millions of EUR

	1H15	**1H14***
Revenues	22,144	19,480
Cost of risk	(1,947)	(1,939)

Net income, Group share	4,203	(2,815)
	30/06/2015	**31/12/2014***
Common equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	10.6%	10.3%
Total consolidated balance sheet	2,138,509	2,077,758
Consolidated loans and receivables due from customers	697,405	657,403
Consolidated items due to customers	687,365	641,549
Shareholders' equity (Group share)	92,078	89,458

* *Restated according to the IFRIC 21 interpretation.*

Description of the Programme

Notes, Warrant and Certificate Programme

Risk Factors (Issuers)

There are certain factors that may affect each Issuer's ability to fulfil its obligations under the Securities issued under the Programme and (where applicable) the Guarantor's obligations under the Guarantee.

BNPP

Eleven main categories of risk are inherent in the Bank's activities:

1. Credit Risk;
2. Counterparty Credit Risk;
3. Securitisation;
4. Market Risk;
5. Operational Risk;
6. Compliance and Reputation Risk;
7. Concentration Risk;
8. Banking Book Interest Rate Risk;
9. Strategic and Business Risks;
10. Liquidity Risk;
11. Insurance Subscription Risk.

Difficult market and economic conditions have had and may continue to have a material adverse effect on the operating environment for financial institutions and hence on BNPP's financial condition, results of operations and cost of risk.

BNPP's access to and cost of funding could be adversely affected by a resurgence of the Euro-zone sovereign debt crisis, worsening economic conditions, further rating downgrades or other factors.

Significant interest rate changes could adversely affect BNPP's revenues or profitability.

The soundness and conduct of other financial institutions and market participants could adversely affect BNPP.

BNPP may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

BNPP may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

Laws and regulations adopted in response to the global financial crisis may materially impact BNPP and the financial and economic environment in which it operates.

BNPP is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.

BNPP may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations.

There are risks related to the implementation of BNPP's strategic plan.

BNPP may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions.

Intense competition by banking and non-banking operators could adversely affect BNPP's revenues and profitability.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPP's results of operations and financial condition.

Notwithstanding BNPP's risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses.

BNPP's hedging strategies may not prevent losses.

BNPP's competitive position could be harmed if its reputation is damaged.

An interruption in or a breach of BNPP's information systems may result in material losses of client or customer information, damage to BNPP's reputation and lead to financial losses.

Unforeseen external events may disrupt BNPP's operations and cause

substantial losses and additional costs.

BNPP B.V.

The following risk factors relate to BNPP B.V.: BNPP B.V. is an operating company. BNPP B.V.'s sole business is the raising and borrowing of money by issuing securities such as Notes, Warrants or Certificates or other obligations. BNPP B.V. has, and will have, no assets other than hedging agreements (OTC contracts mentioned in the Annual Reports), cash and fees payable to it, or other assets acquired by it, in each case in connection with the issue of securities or entry into other obligations related thereto from time to time. BNPP B.V. has a small equity and limited profit base. The net proceeds from each issue of securities issued by BNPP B.V. will become part of the general funds of BNPP B.V. BNPP B.V. uses such proceeds to hedge its market risk by acquiring hedging instruments from BNP Paribas and BNP Paribas entities. The ability of BNPP B.V. to meet its obligations under securities issued by it will depend on the receipt by it of payments under the relevant hedging agreements. Consequently, Holders of BNPP B.V. securities will, subject to the provisions of the relevant Guarantee issued by BNP Paribas, be exposed to the ability of BNP Paribas and BNP Paribas entities in respect of such hedging agreements to perform their obligations under such hedging agreements.

Risk Factors (Securities)

There are certain factors which are material for the purposes of assessing the market risks associated with Securities issued under the Programme. These are set out under "Risk Factors" below and include exposure to one or more index, share, global depositary receipt ("**GDR**"), American depositary receipt ("**ADR**"), interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or other exchange traded product (each an "**exchange traded instrument**"), debt instrument, commodity and/or commodity index, inflation index, currency, fund share or unit, futures contract and/or the credit of one or more reference entities (each an "**Underlying Reference**"), leverage, interest, factors affecting the value and trading price of Securities, certain considerations regarding hedging, specific risks in relation to Index Securities, Share Securities, Commodity Index Securities, ETI Securities, Debt Securities, Commodity Securities, Inflation Index Securities, Currency Securities, Fund Securities, Futures Securities, Credit Securities and Hybrid Securities (each as defined below), specific risks in relation to Securities denominated in Renminbi, specific risks in relation to Securities linked to an Underlying Reference from an emerging or developing market, specific risks in relation to Dynamic Securities, limitations on the minimum trading size of Securities, limitations on the exercise of and time lag after exercise of Warrants, option to vary settlement, absence of pre-determined maturity for Open End Certificates and OET Certificates, market disruption or failure to open of an exchange, settlement disruption, additional disruption events, potential adjustment events or extraordinary events affecting shares, interests in exchange traded instruments or fund shares, extraordinary fund events, expenses and taxation, illegality, meetings of holders, post-issuance information, change of law, effect of credit rating reduction, potential conflicts of interest and possible illiquidity of Securities in the secondary market.

In certain circumstances Holders may lose the entire value of their investment.

Securities

Securities may be issued as index Securities ("**Index Securities**"), share, GDR or ADR Securities ("**Share Securities**"), exchange traded instrument Securities ("**ETI Securities**"), debt Securities ("**Debt Securities**"), commodity Securities ("**Commodity Securities**"), inflation index Securities ("**Inflation Index Securities**"), currency Securities ("**Currency Securities**"), fund Securities ("**Fund Securities**"), futures contracts Securities ("**Futures Securities**"), credit Securities ("**Credit Securities**") or open end turbo Certificates ("**OET Certificates**") which will be redeemed on a date determined by the Issuer, in its sole and absolute discretion, subject as provided herein or any other or further type of notes, warrants or certificates including as hybrid Securities ("**Hybrid Securities**") whereby the Underlying Reference may be any combination of such indices, shares, GDRs, ADRs, interests in exchange traded instruments, debt instruments, currencies, commodities, inflation indices, currency, fund shares or units, futures contracts, the credit of specified reference entities or other asset classes or types.

Settlement

Securities may be cash or physically settled.

In certain circumstances the Issuer or the Holder or (if applicable) the Guarantor may vary settlement in respect of the Securities.

Index Securities

Payments in respect of Index Securities will be calculated by reference to one or more indices as set out in the applicable Final Terms. Index Securities may be linked to an index or indices comprising, *inter alia*, reference equities, bonds, property and/or other assets or bases of reference (including one or more custom indices established, calculated and/or sponsored by BNPP and/or its affiliates).

Index Securities may be subject to cancellation or early redemption or adjustment if an Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, if the Index's sponsor fails to calculate and announce the Index, or certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its Affiliates' hedging arrangements.

If certain disruption events occur with respect to valuation of an Index such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

Share Securities

Payments in respect of Share Securities will be calculated by reference to one or more shares, ADRs and/or GDRs (together referred to herein as "**Shares**" and each a "**Share**") as set out in the applicable Final Terms. Share Securities may also provide for settlement by physical delivery of the Entitlement.

Share Securities may be subject to cancellation or early redemption or

	adjustment (including as to valuation and in certain circumstances share substitutions) if certain corporate events (such as events affecting the value of a Share (including Share, or in the case of GDRs and ADRs, Underlying Share, divisions or consolidations, extraordinary dividends, redenomination of a Share and capital calls); de-listing of a Share or Underlying Share; insolvency, merger or nationalisation of a Share or Underlying Share issuer; a tender offer or redenomination of a Share or Underlying Share occur, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements, or if insolvency filings are made with respect to a Share or Underlying Share issuer.
ETI Securities	Payments in respect of ETI Securities will be calculated by reference to interests in one or more exchange traded instruments as set out in the applicable Final Terms. ETI Securities may also provide for settlement by physical delivery of the Entitlement.
Debt Securities	Payments in respect of Debt Securities will be calculated by reference to one or more debt instruments, debt futures or debt option contracts, as set out in the applicable Final Terms. Debt Securities may also provide for settlement by physical delivery of the Entitlement.
Commodity Securities	Payments in respect of Commodity Securities will be calculated by reference to one or more commodities and/or commodity indices as set out in the applicable Final Terms. Commodity Securities may be subject to adjustment (including as to valuations) if certain events occur with respect to a Commodity, Commodity Index or Index Component (such as a trading disruption, the disappearance of, or disruption in publication of, a reference price; and in certain circumstances a change in the formula for calculating a reference price; or a change in the content of a Commodity, an index component disruption event or an index disruption event in respect of a Commodity Index. Commodity Securities may be subject to cancellation or early redemption or adjustment if a Commodity Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, if the Commodity Index's sponsor fails to calculate and announce the Commodity Index, or certain events (such as illegality or disruptions) occur with respect to the Issuer's or any of its affiliates' hedging arrangements.
Inflation Index Securities	Payments in respect of Inflation Index Securities will be calculated by reference to one or more inflation indices as set out in the applicable Final Terms.
Currency Securities	Payments in respect of Currency Securities will be calculated by reference to one or more foreign exchange rates as set out in the applicable Final Terms.
Fund Securities	Payments in respect of Fund Securities will be calculated by reference to units, interests or shares in a single fund or basket of funds on such terms as set out in the applicable Final Terms. Fund Securities may also provide for settlement by physical delivery of the Entitlement.

	Fund Securities may be subject to cancellation or early redemption or adjustment (including as to valuation and fund substitutions) if certain corporate events (such as insolvency (or analogous event) occurring with respect to a fund; litigation against, or regulatory events occurring with respect to a fund; suspensions of fund subscriptions or redemptions; certain changes in net asset value of a Fund; or modifications to the investment objectives or changes in the nature or administration of a Fund) occur, if certain valuation or settlement disruption events occur with respect to a fund, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any Affiliate's hedging arrangements.
Futures Securities	Payments in respect of Futures Securities will be calculated by reference to one or more futures contract as set out in the applicable Final Terms.
Credit Securities	Securities with respect to which payments are linked to the credit of a specified entity or entities will be issued on such terms as are specified in the applicable Final Terms. If an Event Determination Date occurs in respect of any specified entity, each Credit Security (or the relevant portion thereof) will be redeemed at its pro rata share of the Auction Settlement Amount, subject to fallback settlement or the Credit Event Cash Settlement Amount or by physical settlement, as applicable, or the outstanding principal or notional amount and/or Cash Settlement Amount of each Credit Security will be reduced by a pro rata share of the related writedown amount of such affected entity. If no Event Determination Date occurs in respect of any specified entity, each Credit Security will be redeemed at the outstanding principal amount per Credit Note or Cash Settlement Amount per Credit Certificate or, as the case may be, each Credit Warrant will become void without payment. Certain Credit Securities may be linked to the credit of a financial institution with which a deposit is made by an affiliate of the Issuer. If an Event Determination Date occurs in respect of such financial institution, each Credit Security will be redeemed at its Credit Event Settlement Amount.
OET Certificates	OET Certificates will be redeemed on a date determined by the Issuer, in its sole and absolute discretion, subject as provided in the "*Terms and Conditions of the W&C Securities*" and the applicable Final Terms. Payment in respect of OET Certificates will be calculated by reference to a share, interest in an exchange traded instrument, index, currency, futures contract, commodity or debt instrument, as set out in the applicable Final Terms. OET Certificates may be subject to early redemption or adjustment if certain events (such as events affecting the relevant shares, interest in an exchange traded instrument, index, currency, futures contract or commodity) occur with respect to the underlying asset.
Hybrid Securities	Payments in respect of Hybrid Securities will be calculated by reference to a

	number of different Underlying References as set out in the applicable Final Terms.
Notes	Notes will be redeemed on the Maturity Date, subject as provided in the "*Terms and Conditions of the Notes*" as amended and/or supplemented by the applicable Final Terms.
Warrants	Warrants may be American Style Warrants or European Style Warrants. American Style Warrants are exercisable in the manner set out in the Terms and Conditions of the Securities on any Exercise Business Day during the Exercise Period. European Style Warrants are exercisable in the manner set out in the "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the W&C Securities*" on the Exercise Date. Cash Settled Warrants may be automatically exercised.
Certificates	Certificates will be redeemed on the Redemption Date, subject as provided in the "*Terms and Conditions of the W&C Securities*" as amended and/or supplemented by the applicable Final Terms. Exercisable Certificates will be automatically exercised on the Exercise Date.
Interest	Notes and Certificates may pay interest on the basis of a fixed or floating rate of interest or by reference to the performance of one or more Underlying Reference.
Physical Settlement	In order to receive the Entitlement, a Holder must, in the case of all Securities, pay all Taxes and Expenses and, in the case of Warrants, the relevant Exercise Price. If certain events or circumstances occur on settlement, the date of settlement may be postponed and in certain circumstances the Issuer will be entitled to pay a cash amount in lieu of physical delivery.
Status of the Securities	Securities are unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves.
Guarantee	Where the Issuer is BNPP B.V., the relevant Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law. In the event of a bail-in of BNPP B.V. but not BNPP, the obligations and/or amounts owed by BNPP under the guarantee shall be reduced to reflect any such reduction or modification resulting from the application of a bail-in of BNPP B.V. by a relevant regulator. In the event of a bail-in of BNPP but not BNPP B.V., the obligations and/or amounts owed by BNPP under the guarantee shall be reduced to reflect any such modification or reduction applied to securities issued by BNPP resulting from the application of a bail-in of BNPP by any relevant regulator.
Taxes and Expenses	Holders of Securities must pay all specified taxes and expenses relating to the Securities. The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses not previously deducted from amounts paid or

	Assets delivered to Holders. Investors should carefully review the "*Taxation*" section.
Rating	The rating of certain series of Securities to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant series of Securities will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) will be disclosed in the applicable Final Terms. Please also refer to "*Credit Ratings may not Reflect all Risks*" in the Risk Factors section below.
Listing and admission to trading	Securities of a particular Series may be listed on SIX Swiss Exchange and admitted to trading on SIX Structured Products Exchange Ltd. or SIX Swiss Exchange and references to listing shall be construed accordingly. The applicable Final Terms will, if relevant, include information on the relevant market segment of the stock exchange on which the Securities are to be listed.
Selling Restrictions	There are restrictions on the offer and sale of Securities and the distribution of offering material — see "*Offering and Sale*" below.
Governing Law	The Securities, any related Guarantee and (in the case of English Law Securities only) any non-contractual obligations arising out of or in connection therewith will be governed by English or French Law, as specified in the applicable Final Terms.

RISK FACTORS

Prospective purchasers of the Securities offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below (which each Issuer, in its reasonable opinion, believes represents or may represent the risk factors known to it which may affect such Issuer's ability to fulfil its obligations under the Securities) in making an investment decision. Investors may lose the value of their entire investment in certain circumstances.

Terms used in this section and not otherwise defined have the meanings given to them in the relevant Conditions.

Risks Relating to BNPP and its Industry

See Chapter 5 ("Risks and Capital Adequacy") of the BNPP 2014 Registration Document (as defined below) which is incorporated by reference in this Base Prospectus and which discloses all material risks relating to BNPP's ability to fulfil its obligations under the Securities.

Risk Factors Relating to BNPP B.V.

BNPP B.V. is an operating company. BNPP B.V.'s sole business is the raising and borrowing of money by issuing securities such as Notes, Warrants or Certificates or other obligations. BNPP B.V. has, and will have, no assets other than hedging agreements (OTC contracts mentioned in the Annual Reports), cash and fees payable to it, or other assets acquired by it, in each case in connection with the issue of securities or entry into other obligations related thereto from time to time. BNPP B.V. has a small equity and limited profit base. The net proceeds from each issue of securities issued by BNPP B.V. will become part of the general funds of BNPP B.V. BNPP B.V. uses such proceeds to hedge its market risk by acquiring hedging instruments from BNP Paribas and BNP Paribas entities and to acquire collateral assets for secured securities, as applicable. The ability of BNPP B.V. to meet its obligations under securities issued by it will depend on the receipt by it of payments under the relevant hedging agreements. Consequently, Holders of BNPP B.V. securities will, subject to the provisions of the Guarantee issued by BNP Paribas, be exposed to the ability of BNP Paribas and BNP Paribas entities to perform their obligations under such hedging agreements.

RISK FACTORS RELATING TO SECURITIES

1. General

The Securities involve a high degree of risk, which may include (in addition to the risks relating to the Issuers' (including default risk) and Guarantor's ability to fulfil their obligations under the Securities to investors) price risks associated with the Underlying Reference (as defined below), among others, interest rate, foreign exchange, inflation, correlation, time value and political risks. Prospective purchasers of Securities should recognise that their Securities may expire worthless or be redeemed for no value. Purchasers should be prepared to sustain a total loss of the purchase price of their Securities. See "*Certain Factors Affecting the Value and Trading Price of Securities*" below. Prospective purchasers of Securities should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular underlying index (or basket of indices), share, GDR or ADR (or basket of shares, GDRs and/or ADRs), interests in exchange traded funds, exchange traded notes, exchange traded commodities or other exchange traded products (each an "**exchange traded instrument**") (or basket of interests in exchange traded instruments), debt instrument (or basket of debt instruments), commodity or commodity index (or basket of commodities and/or commodity indices), inflation index (or basket of inflation indices), currency (or basket of currencies), fund share or unit (or basket of fund shares or units), futures contracts (or basket of futures contracts), preference share or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms (such reference being the "**Underlying Reference**"). Each Issuer may

also issue Securities linked to the credit of a specified entity (or entities) (each such entity a "**Reference Entity**" and, where the context admits, each an "**Underlying Reference**").

The exposure to the Underlying Reference in many cases will be achieved by the relevant Issuer entering into hedging arrangements. Potential investors should be aware that under the terms of Underlying Reference linked Securities they are exposed to the performance of these hedging arrangements and the events that may affect these hedging arrangements and consequently the occurrence of any of these events may affect the value of the Securities.

The risk of the loss of some or all of the purchase price of a Security on expiration or redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Reference or credit risk of the Reference Entity ("**Entities**") which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the lower the value of a Security and the shorter the remaining term of a Warrant to expiration or a Note or Certificate to redemption, the greater the risk that purchasers of such Securities will lose all or part of their investment. With respect to Notes, Certificates or European-style Warrants, the only means through which a Holder can realise value from the Note, Warrant or Certificate, as the case may be, prior to its Exercise Date, Maturity Date or Redemption Date in relation to such Note, Warrant or Certificate, as the case may be, is to sell it at its then market price in an available secondary market. See "*Possible Illiquidity of the Securities in the Secondary Market*" below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Securities or Inflation Index Securities. Fluctuations in the price of the relevant share, GDR or ADR or value of the basket of shares, GDRs and/or ADRs will affect the value of Share Securities. Fluctuations in the price of the relevant interest in an exchange traded instrument or value of the basket of interests in exchange traded instruments will affect the value of ETI Securities. Fluctuations in the price or yield of the relevant debt instrument or value of the basket of debt instruments will affect the value of Debt Securities. Also, the character of the particular market on which a debt instrument is traded, the absence of last sale information and the limited availability of quotations for such debt instrument may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument. Fluctuations in the value of the relevant inflation index or basket of inflation indices will affect the value of Inflation Index Securities. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency Securities. Fluctuations in the value of the relevant commodity or commodity index or basket of commodities and/or commodity indices will affect the value of Commodity Securities. Fluctuations in the value of the relevant fund share or unit or basket of fund shares or units will affect the value of the Fund Securities. Fluctuations in the value of the relevant futures contracts or basket of futures contracts will affect the value of the Futures Securities. Fluctuations in the creditworthiness of the relevant Reference Entity or Reference Entities will affect the value of the Credit Securities. Fluctuations in the value of the relevant preference share will affect the value of Preference Share Certificates. In the case of Hybrid Securities the Underlying Reference in respect of which is any combination of such indices, shares, GDRs, ADRs, interests in exchange traded instruments, debt instruments, currencies, commodities, inflation indices, fund shares, futures contracts or any other asset class or type, fluctuations in the value of any one or more of such Underlying References will correspondingly affect the value of Hybrid Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant Underlying Reference does not move in the anticipated direction.

Each Issuer may issue several issues of Securities relating to various Underlying References. However, no assurance can be given that the relevant Issuer will issue any Securities other than the Securities to which a particular Final Terms relates. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. Securities on shares, interests in

exchange traded instruments, debt instruments or fund shares or units are priced primarily on the basis of the value of underlying securities, whilst Securities on currencies and commodities are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies) or commodity (or basket of commodities) specified in the applicable Final Terms.

Claims Against the Underlying Reference

The Securities do not represent a claim against any Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference) and Holders will not have any right of recourse under the Securities to any such Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference). The Securities are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying Reference and such entities have no obligation to take into account the consequences of their actions on any Holders.

Securities are not Collective Investment Schemes

The Securities do not constitute collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). Accordingly, holders of the Securities do not benefit from protection under the CISA or supervision by the Swiss Financial Market Supervisory Authority ("**FINMA**"). Further, investors are exposed to the Issuer's and the Guarantor's insolvency risk.

Securities are not Alternative Investment Funds

The Securities do not constitute Alternative Investment Funds in the meaning of the Directive 2011/61/EU of the Parliament and of the Council on Alternative Investment Fund Managers published in the Official Journal of the European Union on July 1, 2011 ("**AIFMD**"). Accordingly, holders of the Securities do not benefit from protection under the AIFMD.

Securities are Unsecured Obligations

The Securities are unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* with themselves. Each issue of Securities issued by BNPP B.V. will be guaranteed by BNPP pursuant to the English Guarantee, in the case of English Law Securities, or the French Law Guarantee, in the case of French Law Securities. The obligations of BNPP under the Guarantees are unsubordinated and unsecured obligations of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject as may from time to time be mandatory under French law.

Certain Factors Affecting the Value and Trading Price of Securities

The trading price of the Securities is affected by a number of factors including, but not limited to, the price or level of the relevant Underlying Reference or Underlying References, the time to expiration or redemption of the Securities and the actual or implied volatility and the correlation risk of the relevant Underlying Reference or Underlying References. Such factors may mean that the trading price of the Securities is below the Cash Settlement Amount or the value of the Entitlement, as applicable.

Before exercising (in the case of Warrants) or selling Securities, Holders should carefully consider, among other things, (a) the trading price of the Securities, (b) the value and volatility of the Underlying Reference as specified in the applicable Final Terms, (c) the time remaining to expiration or redemption, as the case may be, (d) in the case of Cash Settled Securities, the probable range of Cash Settlement Amounts, (e) any change(s) in interim interest rates and dividend yields, if applicable, (f) any change(s) in currency exchange rates, (g) the depth of the market or liquidity of the Underlying Reference as specified in the applicable Final Terms and (h) any related transaction costs.

A Security's purchase price may not reflect its inherent value

Prospective investors in the Securities should be aware that the purchase price of a Security does not necessarily reflect its inherent value. Any difference between a Security's purchase price and its inherent value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or accorded to the various parties involved in structuring and/or distributing the Security. For further information prospective investors should refer to the party from whom they are purchasing the Securities. Prospective investors may also wish to seek an independent valuation of Securities prior to their purchase.

Meetings of Holders

The Terms and Conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Only holders of French Law Securities will, in certain circumstances, be grouped for the defence of their common interests in a separate legal entity called "*Masse*" (as defined in "*Condition 9.4(b) Meetings of Holders – French Law Securities*").

The Final Redemption Amount, the Cash Settlement Amount or the physical delivery of the Entitlement may be less than the Value of an Investment in the Securities

Each Holder may receive a Final Redemption Amount or Cash Settlement Amount, as applicable, and/or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Holder's investment in the relevant Securities. In certain circumstances Holders may lose the entire value of their investment.

Possible Illiquidity of the Securities in the Secondary Market

It is very difficult to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list Securities on a stock exchange (application has been made to list the Securities on SIX Swiss Exchange and to admit the Securities described herein for trading on SIX Swiss Exchange). Also, to the extent Securities of a particular issue are exercised or redeemed, the number of Securities of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Securities of such issue. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities.

Each Issuer and any Manager may, but is not so obliged, at any time purchase Securities at any price in the open market or by tender or private offer/treaty. Any Securities so purchased may be held or resold or surrendered for cancellation as further described herein. A Manager may, but is not obliged to, be a market-maker for an issue of Securities and may cease to do so at any time. Even if a Manager is a market-maker for an issue of Securities (including where BNP Paribas Arbitrage S.N.C. acts as market-maker), the secondary market for such Securities may be limited. In addition, Affiliates of each Issuer (including the relevant Manager as referred to above) may purchase Securities at the time of their initial distribution and from time to time thereafter.

For certain issues of Securities, BNP Paribas Arbitrage S.N.C. is required to act as market-maker. In those circumstances, BNP Paribas Arbitrage S.N.C. will endeavour to maintain a secondary market throughout the life of the Securities, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Securities. However, during certain periods, it may be difficult, impractical or impossible for BNP Paribas Arbitrage S.N.C. to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Securities. This may, for example, be due to adverse market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.

There may be no secondary market for the Securities and to the extent that an issue of Securities is or becomes illiquid, an investor may have to exercise or wait until redemption of such Securities, as applicable, to realise greater value than its then trading value. Securities sold in the United States or to U.S. persons may be subject to transfer restrictions.

Minimum Trading Amount

Investors should note that the Securities may have a minimum trading amount. In such cases, if, following the transfer of any Securities, a Holder holds fewer Securities than the specified minimum trading amount, such Holder will not be permitted to transfer their remaining Securities prior to expiration or redemption, as applicable, without first purchasing enough additional Securities in order to hold the minimum trading amount.

Potential Conflicts of Interest

Certain entities within the Group or its affiliates (including, if applicable, any Manager) may also engage in trading activities (including hedging activities) relating to the Underlying Reference or Reference Entity and other instruments or derivative products based on or relating to the Underlying Reference or Reference Entity of any Securities for their proprietary accounts or for other accounts under their management. BNPP B.V., BNPP and their Affiliates (including, if applicable, any Manager) may also issue other derivative instruments in respect of the Underlying Reference. BNPP B.V., BNPP and their Affiliates (including, if applicable, any Manager) may also act as underwriter in connection with future offerings of shares or other securities relating to an issue of Securities or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies. In addition BNPP B.V., BNPP and their Affiliates (including, if applicable, any Manager) may act in a number of different capacities in relation to an underlying index, including, but not limited to, issuer of the constituents of the index, index sponsor or calculation agent. In respect of ETI Securities and Fund Securities, the relevant Issuer or one or more of its Affiliates may from time to time engage in business with the relevant ETI or Fund, as the case may be, or companies in which an ETI or Fund, as the case may be, invests, including among other things, extending loans to, or making investments in, or providing advisory services to them, including merger and acquisition advisory services, engaging in activities that may include prime brokerage business, financing transactions or entry into derivative transactions. The ETI or Fund (each as defined below), as applicable, may pay a portion of its fees to the relevant Issuer or any of its Affiliates for the provision of such services. In the course of this business, the relevant Issuer, the Guarantor (if any), the Calculation Agent and any of their respective Affiliates may acquire non-public information about an ETI or a Fund, as applicable, or any companies, funds or reference assets in which an ETI or a Fund invests and the relevant Issuer, the Guarantor (if any), the Calculation Agent or any of their respective Affiliates may publish research reports about them. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding ETI Securities or Fund Securities, as applicable. Such activities could present certain conflicts of interest, could influence the prices of such shares, Fund Shares, ETI Interests or other securities and could adversely affect the value of such Securities.

Because the Calculation Agent (as defined below) may be an Affiliate of the relevant Issuer or, if applicable, the Guarantor, potential conflicts of interest may exist between the Calculation Agent and holders of the Securities, including with respect to certain determinations and judgments that the Calculation Agent must make, including whether a Market Disruption Event, a Settlement Disruption Event or Credit Event (each, as defined below) has occurred. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment however, subject to always acting only within the parameters allowed by the terms and conditions of the Securities, it has no responsibility to take investors' interests into account.

Certain Considerations Regarding Purchasing Securities as Hedges

Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in the Underlying Reference which may be specified in the applicable Final Terms should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the Underlying Reference which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the Underlying Reference which may be specified in the applicable Final Terms. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Underlying Reference. In addition, in certain cases, the ability of Holders to use Securities for hedging may be restricted by the provisions of the Securities Act.

Risk of Leveraged Exposure

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying Reference, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying Reference moves in the anticipated direction, it will conversely magnify losses when the Underlying Reference moves against expectations. If the relevant Securities include leverage (such as OET Certificates), potential holders of such Securities should note that these Securities will involve a higher level of risk, and that whenever there are losses such losses may be higher than those of a similar security which is not leveraged. Investors should therefore only invest in leveraged Securities if they fully understand the effects of leverage.

Credit Ratings may not Reflect all Risks

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantor (if any) or the Securities. 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 Securities. 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, subject to transactional provisions that apply in certain circumstances whilst the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus. Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

Effect of Credit Rating Reduction

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the relevant Issuer and, if applicable, the Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of BNPP B.V. or BNPP by standard statistical rating services, such as Moody's Investors Service Ltd. ("**Moody's**"), Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("**Standard & Poor's**") and Fitch Ratings Ltd. ("**Fitch**"). A

reduction in the rating, if any, accorded to outstanding debt securities of BNPP B.V. or BNPP by one of these rating agencies could result in a reduction in the trading value of the Securities.

Taxation

Potential purchasers and sellers of Securities should be aware that they may be required to pay stamp or taxes or documentary charges in accordance with the laws and practices of the jurisdiction where the Securities are transferred and/or any asset(s) are delivered or in any other jurisdiction.

Swiss Tax Aspects

Payments or credits received by a holder of the Securities, which are considered in a Swiss tax perspective as dividends or interests generally are subject to income tax. Gains realised upon a sale or other disposition may, depending on the qualification of the Securities and the Securities' holder individual circumstances, be subject to Swiss income tax. The tax impact on holders of Securities generally in Switzerland is described under the section entitled "Taxation" below; however, the tax impact on an individual holder of Securities differ from the situation described for Securities' holder generally. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Securities.

Withholding under the EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State 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.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax is withheld). The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires EU Member States to apply these new requirements from 1 January 2017 and if they were to take effect, the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it

does not impose withholding taxes. The proposal also provides that, if it proceeds, EU Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Guarantor nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. In the case of Notes, each 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 Savings Directive.

EU financial transaction tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission's proposal**"), for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

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 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 financial transaction is issued in a participating member state.

The FTT may give rise to tax liabilities for the relevant Issuer with respect to certain transactions if it is adopted based on the Commission's proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the relevant Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The relevant Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

Joint statements issued by participating member states indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating member states and the scope of any such tax is uncertain. Additional EU member states may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

Hiring Incentives to Restore Employment Act withholding may affect payments on the Securities

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes a 30% withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. While significant aspects of the application of the relevant provisions of the HIRE Act to the Securities are uncertain, if an Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to

amounts so withheld. Prospective investors should refer to the section "*Taxation – Hiring Incentives to Restore Employment Act*."

Foreign Account Tax Compliance Act withholding may affect payments on the Securities

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or "**FATCA**") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

While the Securities are held within SIS, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by SIS. 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. An Issuer's obligations under the Securities are discharged once it has made payment to, or to the order of, SIS and an Issuer has therefore no responsibility for any amount thereafter transmitted through SIS and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an **IGA**) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*."

EU Resolution and Recovery Directive

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures or supervisory action would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

(i) the sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;

(ii) the creation and use of a bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);

(iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and

(iv) bail-in which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Securities to equity, which equity (the "**general bail-in tool**") could also be subject to any future application of the general bail-in tool.

The BRRD also provides the right for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

When applying bail-in, the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If senior debt bail-in has entered into force and if only this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, holders of Securities may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of holders of Securities, the price or value of their investment in any Securities and/or the ability of the relevant Issuer and/or the Guarantor to satisfy its obligations under any Securities and/or the Guarantees.

In the case of Securities issued by BNPP B.V., the exercise of any power under the BRRD in respect of BNPP as Guarantor could materially adversely affect the ability of BNPP B.V. as Issuer to satisfy its obligations under any Securities, which in turn may have a material adverse effect on the rights of holders of Securities and the price or value of their investment in any Securities.

Implementation of BRRD in France

The implementation of the BRRD in France was made by two main texts of legislative nature. Firstly, the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (as modified by the ordonnance dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the **Banking Law**) had anticipated the implementation of the BRRD. Secondly, Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the **Ordinance**) published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to the BRRD. Many of the provisions contained in the BRRD were already similar in effect to

provisions contained in the Banking Law. Decree(s) and order(s) (*décrets et arrêtés*) implementing certain provisions of the Ordinance remain to be published to fully implement the BRRD in France.

The provisions of the French *Code monétaire et financier*, as amended by the Ordinance and implementing the BRRD, currently apply, except for the bail-in tool which is to be applied from 1 January 2016.

The powers set out in the BRRD and its implementing provisions will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

When the debt bail-in tool and the statutory write-down and conversion power will become applicable to the relevant Issuer or the Guarantor, the Securities may be subject to write-down or conversion into equity on any application of the bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD and its implementing provisions or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Securities and/or the ability of the relevant Issuer or the Guarantor to satisfy its obligations under any Securities.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund has established a centralised power of resolution and entrusted to a Single Resolution Board and to the national resolution authorities. Starting on 1 January 2015, the Single Resolution Board works in close cooperation with the ACPR, in particular in relation to the elaboration of resolution planning, and will assume full resolution powers, on 1 January 2016 provided that the conditions for the transfer of contributions to the Single Resolution Fund are met by that date.

Implementation of BRRD in The Netherlands

The BBRD was adopted by the European Council on 6 May 2014. Member States should have implemented the BRRD by 1 January 2015 (except for the bail-in tool which may be implemented by 1 January 2016). On 21 November 2014, a draft legislative proposal to amend, amongst other things, the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) ("**Wft**"), was published for consultation, which purports to implement the BRRD and EU Single Resolution Mechanism ("**SRM**"). It is, however, at this stage unclear how the BRRD will be implemented in the Netherlands and it remains to be seen if and to what extent the implementation of the BRRD in the Netherlands will set aside the current provisions of the Wft. The Dutch legislator thus did not achieve implementation and entry into force of the legislation by 1 January 2015 as required by the BRRD. The legislator's actual target date for implementation is not yet known, but it is expected that the implementation will occur at the end of 2015.

French Insolvency Law

Under French insolvency law holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), accelerated safeguard (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Securities), whether or not under a debt issuance programme and regardless of their ranking and their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), is proposed accelerated safeguard (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to BNPP and may further agree to:

- increase the liabilities (charges) of holders of debt securities (including the Holders) by rescheduling payments which are due and/or partially or totally writing-off receivables; and/or

- establish an unequal treatment between holders of debt securities (including the Holders) as appropriate under the circumstances; and/or

- decide to convert debt securities (including the Securities) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders expressing a vote). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the *Masse* and the General Meeting of the Holders set out in the Conditions will not be applicable in these circumstances, to the extent they conflict with mandatory insolvency law provisions applicable.

Change of Law

The Conditions of the English Law Securities are based on English law in effect as at the date of this Base Prospectus. The Conditions of the French Law Securities are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to an administrative practice or change to English law or French law, as applicable, after the date of this Base Prospectus and any such change could materially adversely impact the value of any Securities affected by it.

Termination of Securities in the Event of Illegality or Impracticability

If the Issuer determines that the performance of its obligations under the Securities has become illegal or impracticable in whole or in part for any reason, the Issuer may cancel, in the case of Warrants, or redeem, in the case of Notes and Certificates, the Securities by paying to each Holder the fair market value of such Securities less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements. Such cancellation or redemption may result in an investor not realising a return on an investment in the Securities.

Post-issuance Information

Save as set out in the applicable Final Terms, the relevant Issuer will not provide post-issuance information in relation to the Underlying Reference. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

2. Product Specific Risk Factors

Certain Considerations Associated with Index Securities

An investment in Index Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Index Securities, Holders will receive an amount (if any) determined by reference to the value of the underlying index/indices. Such underlying index may be a well known and widely published index or an index which may not be widely published or available. The index may reference, *inter alia*, equities, bonds, currency exchange rates, or other securities or it may be a property index referencing certain property price data which will be subject to market price fluctuations, or reference a number of different assets or indices. A property index may include valuations only and not actual transactions and the property data sources used to compile the index may be subject to change, which may adversely affect the return on the Securities. Linked Interest Certificates which are Index Securities pay interest calculated by reference the value of the underlying index/indices.

Index Securities linked to a custom index are linked to a proprietary index which may be sponsored and/or calculated by BNP Paribas or one of its Affiliates. Pursuant to the operational rules of the relevant custom index, the custom index is scheduled to be calculated on a periodic basis (for example on each weekday). In the event that one of the levels, values or prices of a component included in the custom index is not available for any reason on a relevant day of calculation (i.e. either because it is a non-scheduled trading day in respect of that index component or that index component is subject to a market disruption or otherwise), then the Calculation Agent of the custom index may, but is not obliged to, calculate the level of the custom index on that day by taking a value for the affected index component from the first preceding day on which a level for such affected index component was available.

Various legal entities within the Group may undertake the role of Issuer of the Securities, Calculation Agent of the Securities, sponsor of the underlying custom index and Calculation Agent of the underlying custom index. BNP Paribas has policies and procedures to identify, consider and manage potential conflicts of interest which this situation may potentially generate.

For the avoidance of doubt, the relevant Issuer and/or its Affiliates may not be able to trade on and hedge its obligations in respect of the index (including custom indices) under the Securities notwithstanding the calculation or publication of the level of such index. In the event that any relevant date for valuation is a Disrupted Day for such index, that valuation date shall be the first succeeding day that is not a Disrupted Day and on which the Issuer or relevant affiliate is able to trade on and hedge its obligations in respect of the custom index, subject to a specified maximum days of disruption, as more fully set out in the Conditions. Where this occurs on (i) the Strike Date for valuation, the Calculation Agent will not be able to determine the initial or strike level for such custom index or (ii) the final date for valuation, the Calculation Agent will not determine the final level for the index until such time as the disruption is no longer subsisting, or the specified maximum days of disruption has elapsed, whichever is sooner. Investors should be aware that any delay to the determination of the final level of the index may result in a delay in the payment of the Cash Settlement Amount, Redemption Amount or Final Redemption Amount, as applicable.

Certain Considerations Associated with Share Securities

An investment in Share Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Share Securities, Holders will receive an amount (if any) determined by reference to the value of the share(s), GDRs and/or ADRs and/or the physical delivery of a given number of share(s), GDRs and/or ADRs. Accordingly, an investment in Share Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly. Share Linked Interest Notes or Certificates pay interest calculated by reference to the value of the underlying share(s), GDRs and/or ADRs.

In the case of Share Securities, no issuer of the underlying shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities, and none of the Issuer, the Guarantor (if applicable) or any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the share, GDRs and/or ADRs will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share, GDRs and/or ADRs and therefore the trading price of the Securities.

Except as provided in the Conditions, Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Securities relate.

Certain Considerations Associated with ETI Securities

An investment in ETI Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of ETI Securities, Holders will receive an amount (if any) determined by reference to the value of the interests in exchange traded instruments or a basket of interests in exchange traded instruments and/or the physical delivery of a given number of interests in exchange traded instruments. Accordingly, an investment in ETI Securities may bear similar market risks to a direct exchange traded instrument investment, and investors should take advice accordingly. ETI Linked Interest Notes or Certificates pay interest calculated by reference to the value of the interests in exchange traded instruments or the basket of interests in exchange traded instruments.

Whilst interests in exchange traded instruments are traded on an exchange and are therefore valued in a similar manner as a share traded on an exchange, certain provisions related to ETI Securities are similar to the provisions related to funds and Fund Securities.

In the case of ETI Securities, no exchange traded instrument will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities, and none of the Issuer, the Guarantor (if applicable) or any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such exchange traded instrument contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the interests in the exchange traded instrument will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an exchange traded instrument could affect the trading price of interests in the exchange traded instruments and therefore the trading price of the Securities. ETI Securities do not provide Holders with any participation rights in the underlying ETI(s) and, except in certain circumstances in the case of Physical Delivery Securities, do not entitle holders of ETI Securities to any ownership interest or rights in such ETI(s).

Except as provided in the Conditions, Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant exchange traded instruments to which such Securities relate.

Certain Considerations Associated with Debt Securities

An investment in Debt Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Debt Securities, Holders will receive an amount (if any) determined by reference to the value of the underlying debt instrument(s) and/or the physical delivery of a given number of debt instrument(s). Accordingly, an investment in Debt Securities may bear similar market risks to a direct debt instrument investment, and investors should take advice accordingly. Debt Linked Interest Notes or Certificates pay interest calculated by reference to the value of the underlying debt instrument(s).

Certain Considerations Associated with Commodity Securities

An investment in Commodity Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Commodity Securities, Holders will receive an amount (if any) determined by reference to the value of the commodity, commodity index, commodities and/or commodity indices. Accordingly, an investment in Commodity Securities may bear similar market risks to a direct commodity investment, and investors should take advice accordingly. Commodity Linked Interest Notes or Certificates pay interest calculated by reference to the value of the underlying commodity, commodity index, commodities and/or commodity indices.

Where the Securities are linked to a commodity index, such commodity index may be a well known and widely available commodity index (such as the S&P GSCI®) or a commodity index which may be less well known (such as a commodity index composed by the relevant Issuer) in which case information (including past performance) may be less readily available. The commodity index may be comprised of futures contracts, mono-indices, or other commodity indices, which may be proprietary. Commodity Securities may be linked to a commodity index which may be sponsored and/or calculated by BNP Paribas or one of its Affiliates. Pursuant to the operational rules of the relevant commodity index, the commodity index is scheduled to be calculated on a periodic basis (for example on each weekday). In the event that one of the levels, values or prices of a component included in the commodity index is not available for any reason on a relevant day of calculation including, without limitation, (a) where it is a not a business day in respect of that commodity index component or (b) that commodity index component is subject to a market disruption event, then the calculation agent of the commodity index may, but is not obliged to, calculate the level of the commodity index for the relevant day by taking a value for the affected index component on the first day following the end of a specified maximum days of disruption based on the price at which it is able to sell or otherwise realise any hedge position. Such an occurrence may potentially result in a delay in the publication of the commodity index and the level of the commodity index may be affected.

The relevant Issuer and/or its Affiliates may not be able to hedge its obligations in respect of the commodity index under the Securities notwithstanding the calculation and publication of the level of the commodity index. In the event that a Market Disruption Event is occurring on any relevant date for valuation, that valuation date will be postponed until the first succeeding day that is not a Commodity Disrupted Day, subject to a specified maximum days of disruption, as more fully set out in the Conditions. Where this occurs on (i) the Initial Pricing Date or Strike Date for valuation, the Calculation Agent will be unable to determine the initial or strike level for the commodity index and (ii) on the final date for valuation, the Calculation Agent will be unable to determine the final level for the commodity index, until either the Market Disruption Event has ceased or the specified maximum days of disruption have elapsed, whichever is sooner. Investors should be aware that any delay to the determination of the final level of the commodity index may result in a delay in the payment of the Cash Settlement Amount, Redemption Amount or Final Redemption Amount, as applicable.

Certain Additional Considerations Associated with Index Securities or Commodity Securities valued by reference to Futures Contracts or Index Securities where Futures Price Valuation is specified as applicable

Financial futures contracts are standardised futures transactions that are linked to financial instruments (e.g. stocks, bonds, indices, interest rates and foreign currencies). Commodity futures contracts are standardised futures transactions that are linked to commodities (e.g. mineral commodities, agricultural products and precious metals). A futures transaction constitutes the contractual obligation to buy or sell a certain amount or number of the respective underlying at a fixed price and at a predetermined future point in time. Futures contracts are traded on futures exchanges and standardised for this purpose with respect to their contract size, the nature and quality of the underlying as well as delivery places and dates, if any. Generally, there is a strong correlation between the price development of an underlying financial instrument or commodity (each or "**underlying**") on the spot market and the corresponding futures exchange. However, the price of a futures contract will generally be traded at a premium on, or discount from, the spot price of the underlying. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g. in the case of commodities, warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the underlying, there can be significant differences in the liquidity of the spot and the futures markets.

Investment in futures contracts involves certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain exchanges limit fluctuations in such futures contract prices pursuant to "daily limits". Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, contracts can neither be bought nor sold unless holders are willing to trade at or within the limit. This could prevent a holder from promptly liquidating unfavourable

positions and subject it to substantial losses. For example, futures contract prices in various underlyings occasionally exceed the daily limit for several days with little or no trading. Such losses could have an adverse effect on the return of Securities linked to the affected futures contracts. Any illiquidity disruption or force majeure event (such as an act of God, fire, flood, severe weather conditions, act of governmental authority or a labour dispute or shortage) is likely to have an adverse affect on the value of or trading in the underlying or futures contracts on such underlying and adversely affect the value of the Securities.

Where the Securities are linked to the exchange price of a futures contract, knowledge of the market of the underlying to which the futures contract is linked as well as of the functioning and evaluation factors of futures contracts is necessary to make a valid assessment of the risks associated with the purchase of these Securities.

In the case of Index Securities where Futures Price Valuation is applicable, the Securities are exposed to a futures or options contract relating to an index and bear similar market risks to a direct investment in such futures or options contract.

Certain Additional Considerations Associated with Rolling Futures Contract Securities

Futures contracts have a predetermined expiration date. Holding a futures contract until expiration will result in delivery of the physical underlying or the requirement to make or receive a cash settlement amount. Rolling Futures Contract Securities are valued by reference to futures contracts that have a delivery or expiry month that do not correspond with the term of the Securities. Consequently the futures contracts are "rolled" which means that the futures contract that is nearing expiration (the "**near-dated futures contracts**") is sold before it expires and a futures contract that has an expiration date further in the future (the "**longer-dated futures contracts**") is purchased ("**Rolling**"). In order to maintain an ongoing exposure to such underlyings Rolling of the applicable futures contracts is applied.

An investment in futures contracts where the future is a commodity may increase or decrease through Rolling. Where the price of a near-dated futures contract is greater than the price of the longer-dated futures contract (the underlying is said to be in "**backwardation**"), then Rolling from the former to the latter will result in greater exposure to the longer-dated futures contract. Therefore, any loss or gain on the new positions will be greater than if an investor had synthetically held the same number of underlying contracts as before the Rolling. Conversely, where the price of the near-dated futures contract is lower than the price of the longer-dated futures contract (the underlying is said to be in "**contango**") then Rolling will result in less exposure to the longer-dated futures contract. Therefore, any gain or loss on the new positions will be less than if an investor had synthetically held the same number of underlying contracts as before the Rolling.

Depending on whether the Securities are synthetically "long" or "short" the relevant futures contract, where a futures contract is in contango, this is expected to (though may not) have a negative (in the case of a "long" position) or positive (in the case of a "short" position) effect over time on the value of the Securities. Where a futures contract is in backwardation this is expected to (though may not) have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect over time on the value of the Securities. Where an underlying contract is in contango, then the price of the longer-dated underlying contract will be expected to (but may not) decrease over time as it nears expiry. In such event, Rolling is expected to have a negative effect (in the case of a "long" position) or positive (in the case of a "short" position) on an investment in the underlying contract. Where an underlying contract is in backwardation, then the price of the longer-dated underlying contract is expected to (but may not) increase over time as it nears expiry. In such event, Rolling is expected to have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect on an investment in the underlying contract.

If, on any Futures Rollover Date (as defined below), a Market Disruption Event (as defined in Commodity Security Condition 1), a Commodity Index Adjustment Event (as defined in Commodity Security Condition 4) or a Non-Commencement or Discontinuance of the Exchange-traded Contract (as defined in Index Security

Condition 9.1), as applicable, occurs and it is impossible or materially impracticable for the Calculation Agent to select a futures contract and/or at such time hedge the relevant Issuer's obligations in respect of the Securities then:

(i) in the case of an Index Security that is a Rolling Futures Contract Security:

(a) in the case of Warrants, the relevant Issuer may cancel the Warrants by giving notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled, the relevant Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(b) in the case of Notes and Certificates:

(A) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the relevant Issuer may redeem the Notes or Certificates by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the relevant Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(B) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of Certificates) or at its nominal amount (in the case of Notes); or

(ii) in the case of a Commodity Security that is a Rolling Futures Contract Security, the relevant Issuer may take such actions as described in Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a

Commodity Index), as applicable (see "*Market Disruption Events relating to Commodity Securities*" and "*Adjustment Events relating to Commodity Index Securities*" below).

Rollover ("**Rollover**") will be effected on the relevant day specified in the Final Terms (the "**Futures Rollover Date**") within a certain time frame shortly before the expiration date of the current futures contract. Consequently on any Futures Rollover Date, the relevant Issuer will liquidate its positions assumed through the corresponding hedging arrangements in relation to the existing futures contract whose expiration is imminent and will assume corresponding positions in relation to a new futures contract having identical terms but with a different maturity selected by it acting in good faith and in a commercially reasonable manner.

At each Rollover there may be expenses incurred in replacing the futures contract which may have an adverse effect on the return on the Securities.

Prospective purchasers should be aware that in respect of Rolling Futures Contract Securities, the price difference between the futures involved in each Rollover may have a negative effect on the value of the securities and in the long term be higher than the positive performance of the underlying and result in a total loss of the investment in the Securities. Rolling Futures Contract Securities may not be suitable for investors who intend to invest medium to long term.

Certain Considerations Associated with Inflation Index Securities

An investment in Inflation Index Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Inflation Index Securities, Holders will receive an amount (if any) determined by reference to the value of the underlying inflation index/indices. Inflation Index Linked Interest Notes or Certificates pay interest calculated by reference to the value of the underlying inflation index/indices.

Certain Considerations Associated with Currency Securities

An investment in Currency Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Currency Securities, Holders will receive an amount (if any) determined by reference to the value of the currency/currencies and/or the physical delivery of a given amount of a currency or currencies. Accordingly, an investment in Currency Securities may bear similar market risks to a direct currency investment, and investors should take advice accordingly. Currency Linked Interest Notes or Certificates pay interest calculated by reference to the value of the underlying currency/currencies.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Securities. Furthermore, investors who intend to convert gains or losses from the exercise, redemption or sale of Currency Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Purchasers of Currency Securities risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

If additional warrants, securities or options relating to particular currencies or particular currency indices are subsequently issued, the supply of warrants and options relating to such currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Securities and such other warrants, securities and options trade in the secondary market to decline significantly.

Certain Considerations Associated with Fund Securities

An investment in Fund Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Fund Securities, Holders will receive an amount (if any) determined by reference to the value of the fund shares and/or the physical delivery of a given number of fund shares or units. Accordingly, an investment in Fund Securities may bear similar market risks to a direct fund investment, and investors should take advice accordingly. Fund Linked Interest Notes or Certificates pay interest calculated by reference to the value of the underlying fund shares or units. The price of units or shares in a fund may be affected by the performance of the fund service providers, and in particular the investment adviser.

No Fund Service Provider will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Fund Securities, and none of the Issuer, the Guarantor (if applicable) or any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of fund shares or units contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the fund shares or units will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of fund shares or units could affect the trading price of the fund shares or units and therefore the trading price of the Securities. Fund Securities do not provide Holders with any participation rights in the underlying Fund(s) and except in certain circumstances in the case of Physical Delivery Securities, do not entitle holders of Fund Securities to any ownership interest or rights in such Fund(s).

Except as provided in the Conditions, Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant fund shares or units to which such Securities relate.

Certain Considerations Associated with Futures Securities

An investment in Futures Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Futures Securities, Holders will receive an amount (if any) determined by reference to the value of the futures contract or basket of futures contracts. Accordingly, an investment in Futures Securities may bear similar market risks to a direct futures contract investment, and investors should take advice accordingly. Futures Linked Interest Certificates pay interest calculated by reference to the value of the underlying futures contract or basket of futures contracts.

Additional Risk Factors for Credit Securities

The Issuer may issue Notes, Certificates or Warrants where the amount payable is dependent upon whether certain events ("**Credit Events**") have occurred in respect of one or more Reference Entities and, if so, on the value of certain specified assets of such Reference Entity/Entities or (in the case of Notes and Certificates only) where, if such events have occurred, such Issuer's obligation is to deliver certain specified assets.

The price of such Securities may be volatile and will be affected by, amongst other things, the time remaining to the maturity date, redemption date or expiration date of the Securities and the creditworthiness of the Reference Entities, which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Where the Securities provide for physical delivery, the relevant Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the

specified settlement date or (b) assets which the relevant Issuer and/or any Affiliate has not received under the terms of any transaction entered into by the relevant Issuer and/or such Affiliate to hedge such Issuer's obligations in respect of the Securities. Any such determination may delay settlement in respect of the Securities and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Securities and, in the case of payment of a cash amount, will affect the timing of the valuation of such Securities and, as a result, the amount payable on redemption. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions should apply to the Securities.

The relevant Issuer's obligations in respect of Credit Securities are irrespective of the existence or amount of the relevant Issuer's and/or any Affiliates' credit exposure to a Reference Entity, and the relevant Issuer and/or any Affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Holders are exposed to risk on Reference Entities

The holders of Credit Securities will be exposed to the credit risk of one or more Reference Entities, which exposure shall be to the full extent of their investment in such Credit Securities. Upon the occurrence of any of the default or other events comprising a Credit Event with respect to any Reference Entity, the Holders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of such Reference Entity. However, the holding of a Credit Security is unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of a Reference Entity, and losses could be considerably greater than would be suffered by a direct investor in the obligations of a Reference Entity and/or could arise for reasons unrelated to such Reference Entity. Holders should also note that a Credit Event may occur even if the obligations of a Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

Where Cash Settlement or Auction Settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Notes or Certificates in a reduced redemption amount or at zero, and, (if applicable) in a reduction of the amount on which interest is calculated. Where Physical Settlement applies, the occurrence of a Credit Event may result in the redemption of the Notes or Certificates based on the valuation (or by delivery) of certain direct or indirect obligations of the affected Reference Entity, which obligations are likely to have a market value which is substantially less than their par amount.

The holders of Warrants are exposed to the risk that an Event Determination Date does not occur during the term of the Warrants, in which case, the Warrants may expire without payment.

Investors in the Securities are exposed, as to their initial investment, the redemption amount (if applicable) and interest (if applicable), to the credit risk of the Reference Entity. The maximum loss to an investor in the Securities is 100 per cent. of their initial investment, together with (if applicable) any interest amounts.

A Credit Event may occur prior to the Trade Date

Holders of Credit Notes or Credit Certificates may suffer a loss of some or all of the redemption amount of the Notes or Certificates in respect of one or more Credit Events that occur prior to the Trade Date or the Issue Date, if the Credit Event Backstop Date is specified as a date falling prior to such date. Accordingly, the Holder of Credit Notes or Credit Certificates will be exposed to the risk of the occurrence of any Credit Event after the applicable Credit Event Backstop Date even if it occurs prior to the Issue Date, which may be several weeks after the Trade Date. If the Reference Entity suffers a Credit Event prior to the Issue Date (or if the Credit Event Backstop Date is specified as a date falling on or after the Issue Date, on or after such date), and a Credit Event Notice, and a Notice of Publicly Available Information (if applicable) are properly delivered, which may occur on or shortly after the Issue Date of the Notes or Certificates, such Notes or Certificates will be subject to exercise, at

or shortly after the Issue Date. No interest will accrue on such Notes or Certificates. Neither the Calculation Agent or the relevant Issuer nor any of their respective Affiliates has any responsibility to inform any Holder, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date or the Issue Date.

Increased credit risks associated with Nth-to-Default Credit Notes or Certificates

Where the Notes or Certificates are Nth-to-Default Credit Notes or Nth-to-Default Credit Certificates, the Notes or Certificates will be subject to redemption in full as described above upon the occurrence of a Credit Event in relation to the nth Reference Entity. The credit risk to Holders may therefore be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

Credit risk may be increased where Reference Entities are concentrated in a particular Sector or region

Where the Notes or Certificates are Nth-to-Default Credit Notes or Nth-to-Default Credit Certificates or Linear Basket Credit Notes or Linear Basket Credit Certificates, the credit risk to investors in the Notes or Certificates may be increased, amongst other things, as a result of the concentration of Reference Entities in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks as other Reference Entities.

Increased risks associated with Tranched Credit Securities

Tranched Credit Securities create leveraged exposure to the credit risk of the Reference Entities as the implicit portfolio size or size of the aggregate notional amount of the Reference Portfolio is significantly larger than the aggregate nominal or notional amount of the Credit Securities. Investors can lose a significant part or all of their investment even if a Credit Event occurs in respect of only one or a few of the Reference Entities comprising the Reference Portfolio. The value of the Tranched Credit Securities may be more volatile and credit losses in respect of the Tranched Credit Securities may be greater than would be the case in the absence of such leverage. The value of the Tranched Credit Securities may also be adversely affected by changes in the relative value of different tranches of credit risk on the Reference Portfolio. Such relative value changes may occur as a result of, for example, changes in assumptions by market participants to model the credit risk of the Reference Portfolio, correlation between the Reference Entities, as well as changes in the supply of and demand for credit protection in relation to each such tranche.

Issuer and Calculation Agent will act in their own interests

Each of the Issuer and the Calculation Agent will exercise its rights under the terms of the Securities, including in particular the right to designate a Credit Event and the right to select obligations of the affected Reference Entity for valuation or in respect of the Notes or Certificates, delivery, in its own interests and those of its Affiliates, and not in the interests of investors in the Securities. The exercise of such rights in such manner, for example by the selection of the eligible obligations of the Reference Entity having (i) in the case of Notes and Certificates, the lowest possible market value for valuation or delivery, as applicable, may result in an increased credit loss for holders of the Certificates; or (ii) in the case of Warrants, the highest possible market value for valuation in respect of Warrants, may result in an lower amount payable to the holder of the Warrants. The exercise of such discretion by the Issuer or Calculation Agent could adversely affect (i) the value of the amount in cash, if any, which will be paid in respect of any Securities on the applicable redemption date or expiration date, if any, or (ii) in the case of Notes or Certificates, the market value of the portfolio of obligations the relevant Issuer will Deliver.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the

Holders. In performing its duties pursuant to the Securities and making any determinations expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Holders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations. The Calculation Agent is not bound to follow, or act in accordance with, any determination of the relevant Credit Derivatives Determinations Committee.

Actions of Reference Entities may affect the value of the Credit Securities

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of the Securities. Holders of the Securities should be aware that the Reference Entities to which the value of the Securities is exposed, and the terms of such exposure, may change over the term of the Securities.

Payments in the Credit Securities may be deferred or suspended

In certain circumstances, for example where (a) a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, (b) where a potential Credit Event exists as at the Maturity Date of the Notes, the Redemption Date of the Certificates or the Expiration Date of the Warrants, or (c) pending a resolution of a Credit Derivatives Determinations Committee, payment of the redemption amount or settlement amount of the Securities and/or interest on the Notes or Certificates may be deferred for a material period in whole or part without compensation to the holders of the Notes or Certificates.

Suspension of Obligations will suspend payment of principal and interest

If the Calculation Agent determines that, under the terms of the Credit Securities, the obligations of the parties would be suspended pending a resolution of a Credit Derivatives Determination Committee all of the obligations of the relevant Issuer under each Credit Security (including any obligation to deliver any notices, pay any interest, principal or settlement amount or to make any delivery) and if so specified in the Final Terms, all of the obligations of the relevant Calculation Agent to calculate any interest under each Credit Security shall, be and remain suspended until ISDA publicly announces that the relevant Credit Derivatives Determination Committee has resolved the matter in question or not to determine such matters. The Calculation Agent will provide notice of such suspension as soon as reasonably practicable; however, any failure or delay by the Calculation Agent in providing such notice will not affect the validity or effect of such suspension. No interest shall accrue on any payments which are suspended in accordance with the above.

Use of Auction Settlement may adversely affect returns to Holders

Where the Credit Securities are redeemed following the occurrence of a Credit Event by reference to an auction sponsored by ISDA, the relevant Issuer or its Affiliates may act as a participating bidder in any such auction and, in such capacity, may take certain actions which may influence the Auction Final Price including (without limitation) submitting bids, offers and physical settlement requests with respect to the obligations of the Reference Entity. If the relevant Issuer or its Affiliates participate in an Auction, then they will do so without regard to the interests of Holders, and such participation may have a material adverse effect on the outcome of the relevant Auction and/or on the Credit Securities. Holders will have no right to submit bids and/or offers in an Auction.

The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the specified Reference Entity or its obligations. In particular, the Auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the relevant Issuer nor any of their respective Affiliates has any

responsibility for verifying that any auction price is reflective of current market values, for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. The relevant Issuer will have no responsibility to dispute any determination of an Auction Final Price or to verify that any Auction has been conducted in accordance with its rules.

Following an M(M)R Restructuring Credit Event in relation to which ISDA sponsors multiple concurrent auctions, but where there is no relevant auction relating to credit derivative transactions with a maturity corresponding to the Credit Securities, if the Calculation Agent exercises the right of the buyer or, as the case may be, seller of credit risk protection under the Credit Securities to elect that the Auction Final Price is determined by reference to an alternative Auction, the Auction Final Price so determined may be lower (in the case of Notes or Certificates) or higher (in the case of Warrants) than the amount which would have been determined based on quotations sought from third party dealers, thereby reducing the amount payable to Holders.

Use of Cash Settlement may adversely affect returns to Holders

If the Securities are cash settled, then, following the occurrence of a Credit Event, the Calculation Agent will be required to seek quotations in respect of selected obligations of the affected Reference Entity. Quotations obtained will be (i) in the case of Notes and Certificates, "bid-side" - that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer; or (ii) in the case of Warrants, "offer-side". Such quotations may not be available, or the level of such quotations may be substantially reduced or may vary substantially as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly different from the value of the relevant obligation which would be determined by reference to (for example) the present value of related cashflows. Quotations will be deemed to be zero in the event that no such quotations are available.

"Cheapest-to-Deliver" risk for Notes and Certificates and conversely for Warrants

Since the Issuer, as buyer of protection in respect of the Notes or Certificates has discretion to choose the portfolio of obligations and/or assets to be valued or delivered following a Credit Event in respect of a Reference Entity, it is likely that the portfolio of obligations and/or assets selected will be obligations of the Reference Entity and/or assets with the lowest market value that are permitted to be selected pursuant to the terms of the Securities. This could result in a lower recovery value and hence greater losses for investors in the Notes or Certificates.

Conversely, the Issuer as seller of protection in respect of the Warrants has discretion to choose the portfolio of obligations and/or assets to be valued following a Credit Event in respect of a Reference Entity, and it is likely that the portfolio of obligations and/or assets selected will be obligations of the Reference Entity and/or assets with the highest market value that are permitted to be selected pursuant to the terms of the Warrants. This could result in a higher recovery value and hence a lower settlement amount for investors in the Warrants.

Asset Package Delivery risks

The 2014 Definitions introduced the concept of asset package delivery. In certain circumstances where (a) "Financial Reference Entity Terms" and "Governmental Intervention" applies in respect of a Reference Entity and (i) there is a Governmental Intervention Credit Event; or (ii) a Restructuring Credit Event in respect of the Reference Obligation where such Restructuring does not constitute a Governmental Intervention or (b) a Restructuring Credit Event in respect of a Sovereign, then a related asset package resulting from a prior deliverable obligation (where "Financial Reference Entity Terms" apply) or package observable bond (where the Reference Entity is a sovereign) may also be deliverable. The asset package would be treated as having the same outstanding principal as the corresponding prior deliverable obligation or package observable bond.

If the resulting asset package is deemed to be zero where there are no resulting assets, the related credit loss will be 100 per cent. notwithstanding the recovery value on any other obligations of the Reference Entity.

The risk factors "*Use of Auction Settlement may adversely affect returns to Holders*" and "*"Cheapest-to-Deliver" risk for Notes and Certificates and conversely for Warrants*" above would apply to any asset or asset package.

If an asset in the asset package is a non-transferable instrument or non-financial instrument, the value of such asset will be the market value determined by reference to a specialist valuation or in accordance with methodology determined by the Credit Derivatives Determinations Committees. See "*Conflicts of Interest - Credit Derivatives Determinations Committees*" and "*Rights associated with Credit Derivatives Determinations Committees*" for risk factors relating to valuation in accordance with CDDC methodology.

Increased risks where "Zero Recovery" is applicable

Where "Zero Recovery" is applicable, if a Credit Event occurs in respect of a Reference Entity, investors will automatically lose an amount in principal or notional amount of the Credit Security equal to the portion of the Credit Security which is allocated to the credit risk of the affected Reference Entity. Investors should note that, in such circumstances, the Auction Final Price, Weighted Average Final Price or Final Price (which would otherwise apply in the absence of "Zero Recovery") or the recovery on any investments in bonds or other instruments issued by such Reference Entity will be higher (and may be significantly higher) than the zero recovery value ascribed to such Reference Entity under the Notes. Furthermore, the market value of the Credit Securities may not reflect the market value of a credit default swap on the Reference Entity or any other products linked to or issued by the Reference Entity which may be significantly higher.

The Issuer and Calculation Agent are not obliged to disclose information on Reference Entities

The relevant Issuer and the Calculation Agent are not obliged to disclose to holders of the Securities any information which they may have at the Issue Date or receive thereafter in relation to any Reference Entity.

Risks may be compounded

Various risks relating to the Securities may be correlated or compounded and such correlation and/or compounding may result in increased volatility in the value of the Securities and/or in increased losses for holders of the Securities.

The Issuer is not obliged to suffer any loss as a result of a Credit Event

Where the Securities are Single Reference Entity Credit Notes or Single Reference Entity Credit Certificates, Nth-to-Default Credit Notes or Nth-to-Default Credit Certificates or Linear Basket Credit Notes or Linear Basket Credit Certificates, credit losses will be calculated for the purposes of the Notes or Certificates irrespective of whether the relevant Issuer or its Affiliates has suffered an actual loss in relation to the Reference Entity or any obligations thereof. The relevant Issuer is not obliged to account for any recovery which it may subsequently make in relation to such Reference Entity or its obligations.

The Securities do not represent an interest in obligations of Reference Entities

The Securities do not constitute an acquisition by the holders of the Securities of any interest in any obligation of a Reference Entity and the Holders will not have any voting or other rights in relation to such obligation. The relevant Issuer does not grant any security interest over any such obligation.

The value of the Securities may be adversely affected by Illiquidity or Cessation of Indices

In determining the value of the Securities, dealers may take into account the level of a related credit index in addition to or as an alternative to other sources of pricing data. If any relevant index ceases to be liquid, or ceases to be published in its entirety, then the value of the Securities may be adversely affected.

Historical performance may not predict future performance

Individual Reference Entities may not perform as indicated by the historical performance of similar entities and no assurance can be given with respect to the future performance of any Reference Entities. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Securities.

Limited provision of information about the Reference Entities

This Base Prospectus does not provide any information with respect to the Reference Entities. Investors should conduct their own investigation and analysis with respect to the creditworthiness of Reference Entities and the likelihood of the occurrence of a Succession Event or Credit Event.

Reference Entities may not be subject to regular reporting requirements under United Kingdom securities laws. The Reference Entities may report information in accordance with different disclosure and accounting standards. Consequently, the information available for such Reference Entities may be different from, and in some cases less than, the information available for entities that are subject to the reporting requirements under the United Kingdom securities laws. None of the Issuers, the Calculation Agent or any of their respective Affiliates make any representation as to the accuracy or completeness of any information available with respect to the Reference Entities.

None of the Issuers, the Calculation Agent or any of their respective Affiliates will have any obligation to keep investors informed as to any matters with respect to the Reference Entities or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event or a Succession Event with respect to the Reference Entities.

Prospective investors should note that in certain circumstances, there may be no requirement for the relevant Issuer to give information which is generally publicly available in relation to the occurrence of a Credit Event. If a Credit Event occurs in respect of an Obligation of a Reference Entity which is not public, Holders of the Securities may not be able to verify the occurrence of such Credit Event.

Cash settlement (whether by reference to an auction or a dealer poll) may be less advantageous than physical delivery of assets

Payments on the Credit Securities following the occurrence of an Event Determination Date may be in cash and will reflect the value of relevant obligations of the affected Reference Entity at a given date. Such payments may be less than the recovery which would ultimately be realised by a holder of debt obligations of the affected Reference Entity, whether by means of enforcement of rights following a default or receipt of distributions following an insolvency or otherwise.

Conflicts of Interest – Credit Derivatives Determinations Committees

The relevant Issuer or any of its Affiliates may act as a member of a Credit Derivatives Determinations Committees. In such case, the interests of the relevant Issuer or its Affiliates may be opposed to the interests of Holders and they will be entitled to and will act without regard to the interests of Holders.

Rights Associated with Credit Derivatives Determinations Committees

The institutions of the Credit Derivatives Determinations Committee owe no duty to the Holders and have the ability to make determinations that may materially affect the Holders, such as the occurrence of a Credit Event or a Succession Event. A Credit Derivatives Determinations Committee may be able to make determinations without action or knowledge of the Holders.

Holders may have no role in the composition of any Credit Derivatives Determinations Committee. Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on a Credit Derivatives Determinations Committee and the Holders may have no role in establishing such criteria. In addition, the composition of a Credit Derivatives Determinations Committee will change from time to time in accordance with the Rules, as the term of an institution may expire or an institution may be required to be replaced. The Holders may have no control over the process for selecting institutions to participate on a Credit Derivatives Determinations Committee and, to the extent provided for in the Securities, will be subject to the determinations made by such selected institutions in accordance with the Rules.

Holders may have no recourse against either the institutions serving on a Credit Derivatives Determinations Committee or the external reviewers. Institutions serving on a Credit Derivatives Determinations Committee and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on a Credit Derivatives Determinations Committee do not owe any duty to the Holders and the Holders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Holders should also be aware that institutions serving on a Credit Derivatives Determinations Committee have no duty to research or verify the veracity of information on which a specific determination is based. In addition, a Credit Derivatives Determinations Committee is not obligated to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts. If the relevant Issuer or the Calculation Agent or any of their respective Affiliates serve as a member of a Credit Derivatives Determinations Committee at any time, then they will act without regard to the interests of the Holders.

Holders are responsible for obtaining information relating to deliberations of a Credit Derivatives Determinations Committee. Notices of questions referred to the Credit Derivatives Determinations Committee, meetings held to deliberate such questions and the results of binding votes will be published on the ISDA website and neither the relevant Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Holders of such information (other than as expressly provided in respect of the Securities). Failure by the Holders to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the Securities and Holders are solely responsible for obtaining any such information.

Investors should read the Credit Derivatives Determinations Committees Rules as amended from time to time as set out on the ISDA website, http://www.isda.org/credit/revisedcrules.html and reach their own views prior to making any investment decisions. Investors should however note that the Rules may subsequently be amended from time to time without the consent or input of the Holders and the powers of the Credit Derivatives Determinations Committee may be expanded or modified as a result.

Multiple Auctions Following Restructuring Credit Event

Where multiple concurrent Auctions are held following a Restructuring Credit Event, the relevant Issuer may be entitled to select a particular Auction for the purposes of settlement of the Credit Securities. The relevant Issuer will make such election acting in its own interests and not in the interests of the Holders.

Credit Warrants

Credit Warrants are Securities in respect of which the relevant Issuer has effectively sold protection on one or more Reference Entities to the Holders and payments on such Warrants will depend on the occurrence of a Credit Event with respect to such Reference Entities.

Any deterioration in the creditworthiness of a Reference Entity will increase the likelihood of a Credit Warrant being capable of being exercised. However, any improvement in the creditworthiness of a Reference Entity may decrease the likelihood of a Credit Warrant being exercised and as a result such improvements may adversely affect the value of such Warrant.

In relation to any Credit Warrants, where the Credit Derivatives Determinations Committee determines that a Restructuring Credit Event has occurred in relation to a Reference Entity and the Calculation Agent determines that an Auction will be or has been held in relation to Deliverable Obligations which are eligible as Valuation Obligations under the terms of the Warrants, the Warrants will be exercised by delivery of a Credit Event Notice by the Calculation Agent (without notice from the Holder as buyer of protection). This may result in a lower return on the Warrants than if such Warrants had not been automatically exercised in such circumstances. Conversely, where no such Deliverable Obligations exist, the Warrants will not be exercised and will expire worthless.

Risks relating to deposits

Certain credit linked Notes or Certificates may be linked to the creditworthiness of a financial institution at which the Hedge Counterparty has made a deposit. Where an Event Determination Date occurs with respect to the relevant financial institution (which will be the Reference Entity in respect of the Securities), the amount which is paid to a Holder will depend on both the fair market value of the Security (as determined by the Calculation Agent without taking into account the credit linked provisions of the Security) and either the proportion of the deposit which is recovered from the Reference Entity or, alternatively, if the Hedge Counterparty transfers its rights in respect of the deposit to a third party (which may be an affiliate of the Hedge Counterparty), the proportion of the deposit represented by the amount which is received from a third party in respect of such transfer, in each case less costs involved in unwinding related hedging transactions or hedging positions and as adjusted to reflect the proportion of the Securities held by an entity in the BNP Paribas Group.

The Calculation Agent may modify the terms of the Securities

The Calculation Agent may, following its determination that there has been a change in the prevailing market standard terms or market trading conventions that affects any hedging transaction, modify the terms of the Securities to the extent reasonably necessary to ensure consistency with the prevailing market standard terms or market trading conventions, without the consent of Holders or prior notice to Holders. The Calculation Agent is not obliged to make any such modifications. If the Calculation Agent modifies the terms of the Securities, it will do so without regard to the interests of the holders of the Securities and any such modification may be prejudicial to the interests of the holder of the Securities. "**Unwind Notice**" means a notice to the Reference Entity requesting the withdrawal of all or any part of the amounts standing to the credit of the Deposit.

Certain Considerations Associated with Hybrid Securities

An investment in Hybrid Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Hybrid Securities Holders will receive an amount (if any) determined by reference to the value of a number of different Underlying References. Hybrid Linked Interest Notes or Certificates pay interest calculated by reference to the value of a number of different Underlying References.

Certain Considerations Associated with Open End Certificates and OET Certificates

Open End Certificates and OET Certificates do not have any pre-determined maturity and may be redeemed on any date determined by the relevant Issuer, in its sole and absolute discretion, subject to compliance with the provisions of the Conditions. Investment in Open End Certificates and OET Certificates will entail additional risks compared with other Certificates, due to the fact that the redemption date for such Open End Certificates and OET Certificates cannot be determined by the investor.

3. Additional Factors relating to certain Underlying References

Certain Considerations Associated with Securities linked to ETIs

ETI Securities linked to one or more interest in exchange traded instruments reflect the performance of such interest in exchange traded instruments.

An exchange traded instrument may invest in and trade in a variety of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes. Such financial instruments and investment techniques may include, but are not limited to, the use of leverage, short sales of securities, derivative transactions, such as swaps, stock options, index options, futures contracts and options on futures, lending of securities to certain financial institutions, entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies.

The amount payable on ETI Securities will be dependent on the performance of the relevant ETI(s) underlying the ETI Securities, which may be linked to the reported NAV per ETI Interest, the trading price available on an exchange for the relevant ETI Interest and/or the actual redemption proceeds the Hedge Provider or a hypothetical investor in the relevant ETI(s) would receive. The amount payable on the ETI Securities may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant ETI(s) and may be zero.

Unlike Funds, exchange traded instruments are not actively managed. The value of an interest in an exchange traded instrument will decline, more or less, in line with the decline of any securities or the value of any index underlying or linked to the relevant exchange traded instrument. Exchange traded instruments involve risks similar to those of investing in any equity securities traded on an exchange, such as market fluctuations caused by, amongst other things, economic and political developments, changes in interest rates and perceived trends in prices of securities. Where the relevant exchange traded instrument is linked to a particular index, the return on such exchange traded instrument may not match the return of the particular index.

Potential investors in ETI Securities should be aware that none of the relevant Issuer, the Guarantor (if any) or the Calculation Agent have any control over investments made by the relevant exchange traded instrument(s) and in no way guarantee the performance of an exchange traded instrument or the amount payable to holders of ETI Securities.

In hedging the relevant Issuer's obligations under the ETI Securities, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the relevant exchange traded instrument(s), replicating the performance of the relevant exchange traded instrument(s) or holding any of the assets underlying the relevant exchange traded instrument(s). The Hedge Provider may perform any number of different hedging practices with respect to ETI Securities.

Investing directly or indirectly in interests in exchange traded instruments is generally considered to be risky. If the exchange traded instrument does not perform sufficiently well, the value of the Securities will fall, and may in certain circumstances be zero.

Prospective investors should review carefully the prospectus, information memorandum and/or offering circular (if any) issued by any relevant exchange traded instrument before purchasing any ETI Securities. None of the relevant Issuer, the Guarantor (if any), the Calculation Agent or any of their respective Affiliates make any representation as to the creditworthiness of any relevant exchange traded instrument or any such exchange traded instrument's administrative, custodian, investment manager or adviser.

Certain Considerations Associated with Securities linked to Funds

Where an Issuer issues Fund Securities linked to one or more Funds, including Hedge Funds, Mutual Funds or Private Equity Funds, the relevant Securities reflect the performance of such fund(s).

Funds may trade and invest in a broad range of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes such as debt and equity securities, commodities and foreign exchange and may enter into derivative transactions, including, without limitation, futures, swaps and options. Such financial instruments and investment techniques may also include, but are not limited to, the use of leverage, short sales of securities, transactions that involve the lending of securities to financial institutions, the entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies. While these investment strategies and financial instruments provide the investment manager and/or adviser of a Fund the flexibility to implement a range of strategies in an attempt to generate positive returns for the Fund, they also create the risk of significant losses that may adversely affect the value of the Fund and therefore the return on the Fund Securities. Potential investors should be aware that none of the relevant Issuer, the Guarantor (if any) or the Calculation Agent have any control over investments made by a Fund and therefore in no way guarantee the performance of a Fund and therefore the amount due to Holders on cancellation or redemption, as applicable, of the Fund Securities. Funds may often be illiquid and may only be traded on a monthly, quarterly or even less frequent basis. The trading strategies of Funds are often opaque. Funds, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities.

The amount payable on Fund Securities will be dependent on the performance of the relevant Fund(s) underlying the Fund Securities, which may be linked to the reported NAV per Fund Share and/or the actual redemption proceeds the Hedge Provider or a hypothetical investor in the relevant Fund(s) would receive. The amount payable on the Fund Securities may be less than the amount payable from a direct investment in the relevant Fund(s). In certain circumstances, a Fund may continue reporting a NAV per Fund Share, but the Hedge Provider or a hypothetical investor may not be able to realise their investment in the relevant Fund(s) at such reported NAV per Fund Share. In such a case, the return on the Fund Securities may be less and in certain circumstances may be significantly less than the reported performance of the relevant Fund(s) and may be zero.

A Fund may be established as part of a master-feeder fund structure. Generally, a master-feeder fund structure involves the incorporation of a "master" fund company into which separate and distinct "feeder" funds invest. Active management of any investment strategy is, generally, performed at the master fund level. In instances where the Fund(s) underlying the relevant Fund Securities are "feeder" funds, the Extraordinary Fund Events (see "*Other Events relating to Fund Securities*" below) extend to include the "master" fund and its service providers. In conducting their own due diligence of the relevant Fund(s), prospective investors should pay particular attention to whether the relevant Fund(s) are established as part of a master-feeder fund structure.

In hedging the relevant Issuer's obligations under the Fund Securities, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the relevant Fund(s), replicating the performance of the relevant Fund(s) or holding any of the assets underlying the relevant Fund(s). The Hedge Provider may perform any number of different hedging practices with respect to Fund Securities.

For all the above reasons, investing directly or indirectly in Funds is generally considered to be risky. If the underlying Fund does not perform sufficiently well, the value of the Security will fall, and may in certain circumstances be zero.

Certain Considerations Associated with Securities Linked to Emerging Markets

Each Issuer may issue Securities where the amount payable on exercise or redemption or the interest payable is linked to Underlying References which consist of (i) securities, funds or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such Securities, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation. Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

Increased custodian costs as well as administrative difficulties (such as the applicability of the laws of the jurisdictions of emerging or developing countries to custodians in such jurisdictions in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalisation and record access) may also arise from the maintenance of assets in such emerging or developing countries.

Prospective purchasers of the Securities should also be aware that the probability of the occurrence of a Hedging Disruption Event (or other Adjustment Event under the relevant legal terms as set out further in the Security Conditions) and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective purchasers are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

Certain Considerations Associated with certain Dynamic Securities

Each Issuer may issue dynamic Securities ("**Dynamic Securities**"). Dynamic Securities may be linked to a portfolio or strategy often comprising assets with a greater potential for return and consequently greater risk (e.g. a Hedge Fund) and assets with a lower return and consequently lesser risk (e.g. a zero coupon debt security issued by an issuer with a high credit rating). The portfolio or strategy may include leverage on certain specified terms. The portfolio or strategy is dynamic and may rebalance between the relevant assets based upon a specified allocation methodology. The value of Dynamic Securities is determined by reference to the underlying portfolio or strategy. This portfolio or strategy may change during the term of the Securities, which may affect the value of, and any return on, the Securities.

Considering the above aspects, Dynamic Securities are by their nature intrinsically complex, which makes their evaluation difficult in terms of risk at the time of the purchase as well as thereafter. Investors should therefore purchase Dynamic Securities only after having completely understood and evaluated either themselves or with a financial adviser the nature and the risk inherent in the Dynamic Security.

4. Additional Factors Relating to Disruption and Adjustments

Additional Disruption Events and Optional Additional Disruption Events

If an Additional Disruption Event occurs, or any Optional Additional Disruption Event specified in the applicable Final Terms occurs (other than in respect of a Failure to Deliver due to Illiquidity), the Securities may be subject

to adjustment (including, in the case of Share Securities linked to a Basket of Shares, adjustments to the Basket of Shares), cancellation (in the case of Warrants) or early redemption (in the case of Notes and Certificates) or the amount payable on scheduled redemption (in the case of Notes and Certificates) may be different from the amount expected to be paid at scheduled redemption. In the case of Index Securities linked to a Custom Index the occurrence of an Additional Disruption Event or Optional Redemption Event specified in the applicable Final Terms may lead to the selection of a successor Index.

The Additional Disruption Events relate to changes in law (including changes in tax or regulatory capital requirements) and hedging disruptions in respect of any hedging transactions relating to the Securities (both as more fully set out in the Conditions).

If a Failure to Deliver due to Illiquidity occurs:

(A) subject as provided in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants), Redemption Date (in the case of Certificates) or Maturity Date (in the case of Notes) and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and

(B) in respect of any Affected Relevant Assets, in lieu of physical settlement, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with the relevant Conditions. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders.

Consequently the occurrence of an Additional Disruption Event and/or an Optional Additional Disruption Event may have an adverse effect on the value or liquidity of the Securities.

Market Disruption Events or failure to open of an exchange

If an issue of Securities includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a date for valuation of an Underlying Reference and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such valuation date, any consequential postponement of the valuation date, or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value and liquidity of such Securities.

The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Underlying Reference comprising a basket may also have such an adverse effect on Securities related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant Settlement Date, Redemption Date or Maturity Date.

Adjustment Events relating to Index Securities

In the case of Index Securities, if a relevant Index is (i) not calculated and announced by the Index Sponsor in respect of the Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index will be deemed to be the Index.

The occurrence of an Index Modification, an Index Cancellation or an Index Disruption (each being an "**Index Adjustment Event**") may (except as may be limited in the case of U.S. Securities) lead to (i) changes in the calculation of the relevant value or price (if the Calculation Agent determines such Index Adjustment Event has a material effect on the Securities), (ii) early cancellation of the Securities (in the case of Warrants), (iii) early redemption of the Securities (in the case of Notes and Certificates) or (iv) the amount payable on scheduled redemption of the Securities (in the case of Notes and Certificates) being different from the amount expected to be paid at scheduled redemption.

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Potential Adjustment Events relating to Share Securities

In the case of Share Securities, except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). Such adjustment may have an adverse effect on the value and liquidity of the affected Share Securities.

Extraordinary Events relating to Share Securities

In the case of Share Securities the occurrence of an Extraordinary Event (as defined in the Share Security Conditions) in relation to a Share, may (except as may be limited in the case of U.S. Securities) lead to:

(A) adjustments to any of the terms of the Securities (including, in the case of Share Securities linked to a Basket of Shares, adjustments to and/or substitution of constituent shares of the Basket of Shares);

(B) in the case of Warrants, early cancellation in whole or, in the case of Share Securities relating to a Basket of Sharers, in part;

(C) in the case of Notes and Certificates, early redemption in whole or, in the case of Share Securities relating to a Basket of Shares, in part or the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption;

(D) the Calculation Agent making an adjustment to any terms of the Securities which corresponds to any adjustment to the settlement terms of options on the Shares traded on such exchanges(s) or quotation system(s)) as the Issuer in its sole discretion shall select (the "**Option Exchange**") or, if options on the Shares are not traded on the Options Exchange, the Calculation Agent making such adjustment, if any, to any terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Following such cancellation or redemption, an investor generally would not be able to reinvest the relevant proceeds at an effective interest rate as high as the effective return on the relevant Securities being cancelled or redeemed and may only be able to do so at a significantly lower rate, and potential investors should consider reinvestment risk in light of other investments available at that time. Consequently the occurrence of an Extraordinary Event in relation to a Share may have an adverse effect on the value or liquidity of the Securities.

Potential Adjustment Events relating to ETI Securities

In the case of ETI Securities, except as may be limited in the case of U.S. Securities, following the declaration by the relevant exchange traded instruments or any person appointed to provide services directly or indirectly in respect of such exchange traded instrument, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will make the corresponding adjustment, if any, to any terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest).

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Extraordinary Events relating to ETI Securities

In the case of ETI Securities if certain events ("**Extraordinary ETI Events**") including events relating to Global Events, Litigation/Fraudulent Activity Events, Change in ETI Related Parties/Key Persons Events, Modification Events, Net Asset Value/Investment/AUM Level Events, Tax/Law/Accounting/Regulatory Events, Hedging/Impracticality/Increased Costs Events and Miscellaneous Events in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) occur, the relevant Issuer may, in its sole and absolute discretion take no action, adjust the terms of the Securities to reflect such event, substitute the relevant ETI Interests or cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) the Securities.

Consequently the occurrence of an Extraordinary ETI Event may have an adverse effect on the value or liquidity of the Securities.

The Issuer will exercise its rights under the ETI Security Conditions, including in particular the action it takes on the occurrence of an Extraordinary Fund Event, in its sole and absolute discretion. Subject to all regulatory obligations, none of the Issuer, the Guarantor (if any) or the Calculation Agent owes any duty or responsibility to any of the Holders of the ETI Securities. The exercise of such rights in such manner may result in an increased loss in performance of the ETI Securities than if the Issuer had taken different action.

Market Disruption Events relating to Commodity Securities

If a Market Disruption Event occurs or is continuing on a date for valuation then:

(A) the Calculation Agent will determine if such event has a material effect on the Securities and, if so, will calculate the relevant Interest Amount and/or Final Redemption Amount or Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price or level for the relevant Commodity or Commodity Index, the Commodity Fallback Value;

(B) the Calculation Agent may substitute the relevant affected Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out in the Commodity Security Conditions and will make such adjustment, if any, to any terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

(C) the Issuer will cancel or redeem, as applicable, the Securities.

Consequently the occurrence of a Market Disruption Event in relation to a Commodity, Commodity Index or Index Component may have an adverse effect on the value or liquidity of the Securities.

Adjustment Events relating to Commodity Index Securities

In the case of Securities linked to a Commodity Index, if a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor in respect of the Commodity Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, acceptable to the Calculation Agent, or (ii) replaced by a successor Commodity Index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then, in each case, that Commodity Index will be deemed to be the Commodity Index. The occurrence of a Commodity Index Modification, Commodity Index Cancellation or Commodity Index Disruption (each being a "**Commodity Index Adjustment Event**") may lead to:

(A) the Calculation Agent determining the Relevant Price using, in lieu of a published level, the Commodity Fallback Value (if the Calculation Agent determines such Commodity Index Adjustment Event has a material effect on the Securities); or

(B) cancellation or early redemption of the Securities.

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Other Events relating to Fund Securities

In the case of Fund Securities, if certain events ("**Extraordinary Fund Events**") including events relating to Global Events, Litigation/Fraudulent Activity Events, Fund Service Provider/Key Person Events, Modification Events, NAV per Fund Share/AUM Level Events, Reporting Events, Tax/Law/Accounting/Regulatory Events, Hedging/Impracticality/Increased Costs Events, Dealing Events and Miscellaneous Events in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) occur, the Issuer may, in its sole and absolute discretion, take no action, adjust the terms of the Securities to reflect such event, substitute the relevant Fund Shares or cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) the Securities.

Consequently the occurrence of an Extraordinary Fund Event may have an adverse effect on the value or liquidity of the Securities.

In addition, in the event that redemption proceeds in respect of the underlying Fund Shares are not received by the Hedge Provider on or prior to the scheduled date for redemption or settlement, as the case may be, such redemption or settlement date may be postponed for a period of up to two calendar years (or such other period as may be specified in the applicable Final Terms) and no additional amount shall be payable as a result of such delay.

The Issuer will exercise its rights under the Fund Security Conditions, including in particular the action it takes on the occurrence of an Extraordinary Fund Event, in its sole and absolute discretion. Subject to all regulatory obligations, none of the Issuer, the Guarantor (if any) or the Calculation Agent owes any duty or responsibility to any of the Holders of the Fund Securities. The exercise of such rights in such manner may result in an increased loss in performance of the Fund Securities than if the Issuer had taken different action.

Settlement Disruption Events

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date or the Redemption Date respectively, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The relevant Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price or Disruption Cash Redemption Amount (as defined below) in lieu of delivering the Entitlement. As further described below, the Disruption Cash Settlement Price or Disruption Cash Redemption Amount may be less than the fair market value of the Entitlement.

The occurrence of an FX Settlement Disruption Event may lead to postponement or payment in an alternative currency

If "FX Settlement Disruption" applies to the Securities, and the Calculation Agent determines on the second Business Day prior to the relevant due date for payment (the "**Disrupted Payment Date**") that a FX Settlement Disruption Event has occurred and is subsisting, investors should be aware that payments of principal and/or interest (if applicable) may (i) occur at a different time than expected and that no additional amount of interest or premium amount will be payable in respect of any delay in payment of principal and/or interest or premium amount and (ii) be made in USD (the "**FX Settlement Disruption Currency**"). In certain circumstances, the rate of exchange used to convert the Specified Currency and/or Settlement Currency into the FX Settlement Disruption Currency, may not be the market rate of exchange for such currencies, and in some cases, may be determined by the Calculation Agent in its discretion.

Option to Vary Settlement

If so indicated in the Final Terms, the Issuer may, in its sole and absolute discretion, elect to vary the settlement of the Securities, by (i) in the case of Cash Settled Securities, delivering or procuring delivery of the Entitlement instead of making payment of the Final Redemption Amount or the Cash Settlement Amount, as applicable, to the relevant Holders or (ii) in the case of Physical Delivery Securities, making payment of the Final Redemption Amount or the Cash Settlement Amount, as applicable, to the relevant Holders instead of delivering or procuring delivery of the Entitlement.

Option to Substitute Assets or to Pay the Alternate Cash Amount or Alternate Cash Redemption Amount

The Issuer may, in its sole and absolute discretion, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise assets which are not freely tradable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant holders, but in lieu thereof to make payment to the relevant holders on the Settlement Date of the Alternate Cash Amount or Alternate Cash Redemption Amount, as applicable.

5. Securities Subject to Optional Redemption, Cancellation or Early Exercise by the Relevant Issuer or Other Early Redemption or Cancellation

An optional, other early redemption (or cancellation) or early exercise feature is likely to limit the market value of the Securities. In the case of Notes or Certificates having an optional redemption (or cancellation) feature, during any period when the relevant Issuer may elect to redeem (or cancel) the relevant Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed (or cancelled). This also may be true prior to any redemption (or cancellation) period. In addition, the Final Terms may provide that the relevant Securities shall be redeemed (or cancelled) early in specified circumstances. Following an optional or early redemption (or cancellation), a Holder generally would not be able to reinvest the redemption (or cancellation) proceeds (if any) at an effective interest rate as high as the interest rate on the relevant Securities being redeemed (or cancelled), 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.

6. Interest

Interest linked to an Underlying Reference

Interest payable on Linked Interest Notes or Certificates may be determined by reference to an Underlying Reference or combinations of a number of different Underlying References. Potential investors should be aware that:

(A) the market price of such Securities may be volatile;

(B) they may receive no interest;

(C) payment of interest may occur at a different time or in a different currency than expected;

(D) an Underlying Reference may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(E) if an Underlying Reference is applied to Notes or Certificates in conjunction with a weighting greater than one or contains some other leverage factor, the effect of changes in the Underlying Reference on interest payable will be magnified;

(F) the timing of changes in an Underlying Reference may affect the actual yield to investors, even if the average level is consistent with their expectations (in general, the earlier the change in the Underlying Reference, the greater the effect on yield); and

(G) interest may only be payable and/or calculated in respect of certain specified days and/or periods on or during which the Underlying Reference or its value equals, exceeds and/or is less than certain specified thresholds.

7. Limited Exposure to Underlying Reference

If the applicable Final Terms provide that the exposure of the relevant Securities to one or more Underlying References is limited or capped at a certain level or amount, the relevant Securities will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

8. Certain Additional Risk Factors Associated with Warrants

Limitations on Exercise of Warrants

If so indicated in the Final Terms, the Issuer will have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Holder may not be able to exercise on such date all the Warrants that such Holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer. The Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Minimum Exercise Amount of Warrants

If so indicated in the Final Terms, a Holder must tender or, in the case of automatic exercise, hold, a specified number of Warrants at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the amount of the Entitlement (in the case of Physical Delivery Warrants) of such Warrants.

Time Lag after Exercise of Warrants

In the case of any exercise of Warrants, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the applicable Final Terms or the applicable Conditions. However, such delay could be significantly longer, particularly in the case of a delay in the exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a Market Disruption Event or the failure to open of an exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Securities. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the relevant Warrants, and may result in such Cash Settlement Amount being zero.

9. Certain Additional Risk Factors Associated with 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 Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, 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 (i) may not be able to transfer such Securities and (ii) may not receive a definitive Security in respect of such holding (should definitive Securities be printed) and in each case would need to purchase a principal amount of Securities at or in excess of the minimum Specified Denomination 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.

No Gross Up in respect of certain Series of Notes

If the applicable Final Terms specify that Condition 6.2 (No Gross-up) of the Terms and Conditions of the Notes is applicable, the Issuer or, as applicable, the Guarantor is not obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Security and all payments made by the Issuer or, as applicable, the Guarantor shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Dual Currency Notes

The Issuers may issue Notes with principal and/or interest payable in a currency which may be different from the currency in which the Notes are denominated ("**Dual Currency Notes**"). In addition to the risk factors that may apply to Notes and to Notes linked to an Underlying Reference in general, potential investors should be aware that in relation to Dual Currency Notes:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal and interest (if applicable) may occur at a different time or in a different currency than expected;

(iv) in certain circumstances, Noteholders may need to specify additional information to receive a relevant currency (including an account in which they can receive amounts in the relevant currency) and payments of the relevant currency by the Issuer may be delayed, or in certain circumstances, the Issuer may be discharged from its payment obligations in respect of the Notes in the event that the Noteholders fail to specify such account within a prescribed period;

(v) they may lose all or a substantial portion of their principal;

(vi) there may be movements in currency exchange rates which may result in significant fluctuations that may not correlate with changes in interest rates, currencies or related factors;

(vii) the exchange rate used to calculate amounts payable in the settlement currency may be fixed prior to, on or after the Issue Date meaning that investors will not benefit from favourable changes in exchange rates during the term of the Dual Currency Notes; and

(viii) settlement in the Settlement Currency may result in a lower return than if settlement had been made in the Specified Currency due to the risk on the exchange rate.

RESPONSIBILITY STATEMENT

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as the relevant Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The relevant Issuer has also identified the source(s) of such information.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and, if applicable, the Guarantor for the information relating to the underlying asset, index or other item(s) to which the Securities relate, which is contained in such Final Terms.

Signed on behalf of BNP Paribas Arbitrage Issuance B.V.

Paris, dated 8 October 2015:

By:.....

Cezar Nastasa, Attorney

Signed on behalf of BNP Paribas

Paris, dated 8 October 2015:

By:.....

Michel Konczaty, Deputy Chief Operating Officer

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and shall be incorporated in, and form part of, this Base Prospectus:

(a) the terms and conditions of the Securities contained in the base prospectus (the "**2014 Base Prospectus**") of BNPP and BNPP B.V. dated 9 October 2014 ("**2014 Securities Conditions**", the "**W&C Securities Previous Condition**s");

(b) BNPP's *document de référence et rapport financier annuel* in English for 2013 including the consolidated financial statements for the year ended 31 December 2013 and the statutory auditor's report thereon other than Chapter 7 (A Responsible Bank: Information on BNP Paribas' Economic, Social, Civic and Environmental Responsibility), (the sections entitled "Person Responsible for the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) thereon (the "**BNPP 2013 Registration Document**");

(c) BNPP's *document de référence et rapport financier annuel* in English for 2014 including the consolidated financial statements for the year ended 31 December 2014 and the statutory auditor's report thereon other than Chapter 7 (A Responsible Bank: Information on BNP Paribas' Economic, Social, Civic and Environmental Responsibility), the sections entitled "Person Responsible for the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein (the "**BNPP 2014 Registration Document**");

(d) BNPP's *Actualisation du Document de référence 2014 déposée auprès de l'AMF le 30 avril 2015* (in English) (other than the sections entitled "Persons Responsible for the Update to the Registration Document" and the "Table of Concordance") (the "**First Update to the BNPP 2014 Registration Document**");

(e) BNPP's *Actualisation du Document de référence 2014 et rapport financier semestriel déposée auprès de l'AMF le 3 août 2015* (in English) (other than the sections entitled "Persons Responsible for the Update to the Registration Document" and the "Table of Concordance") (the "**Second Update to the BNPP 2014 Registration Document**");

(f) the audited annual non-consolidated financial statements of BNPP B.V. as at, and for the years ended, 31 December 2013 (the "**BNPP B.V. 2013 Financial Statements**") and 31 December 2014 (the "**BNPP B.V. 2014 Financial Statements**"), such financial statements and the respective auditors' reports thereon, being available as part of the respective statutory annual reports for 2013 and 2014 (the "**2013 BNPP B.V. Annual Report**" and "**2014 BNPP B.V. Annual Report**" respectively); and

(g) the unaudited interim financial information for the six months period ended 30 June 2015 of BNPP B.V. (including the review report thereon issued by Mazars Paardekooper Hoffman Accountants N.V. represented by J.C. van Oldenbeek) (the "**BNPP B.V. Interim Financial Statements**").

Save that any statement contained herein or in a document all or the relevant portion of which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that such statement contained in any such subsequent document all or the relative portion of which is or is deemed to be incorporated by reference 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 Base Prospectus.

The information incorporated by reference above is available as follows:

Information Incorporated by Reference	Reference
BNP PARIBAS/BNP PARIBAS ARBITRAGE ISSUANCE B.V.	
W&C Securities Previous Conditions	
2014 Securities Conditions	Pages 103 to 333
BNPP 2013 Registration Document	
Profit and loss account for the year ended 31 December 2013	Page 124 of the BNPP 2013 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 125 of the BNPP 2013 Registration Document
Balance sheet at 31 December 2013	Page 126 of the BNPP 2013 Registration Document
Cash flow statement for the year ended 31 December 2013	Page 127 of the BNPP 2013 Registration Document
Statement of changes in shareholders' equity between 1 January 2012 and 31 December 2013	Pages 128 and 129 of the BNPP 2013 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 130 to 221 of the BNPP 2013 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2013	Pages 222 to 223 of the BNPP 2013 Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 225 to 348 of the BNPP 2013 Registration Document
BNPP 2014 REGISTRATION DOCUMENT	
3. Risk Factors	
3.1 Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 243 to 382 of the BNPP 2014 Registration Document
4. Information about the Issuer	
4.1 History and development of the Issuer:	Page 5 of the BNPP 2014 Registration Document
4.1.1 The legal and commercial name of the Issuer;	Page 487 of the BNPP 2014 Registration Document
4.1.2 The place of registration of the Issuer and its registration number;	Page 487 of the BNPP 2014 Registration Document
4.1.3 The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 487 of the BNPP 2014 Registration Document
4.1.4 - the domicile and legal form of the Issuer, - the legislation under which the Issuer operates, - its country of incorporation, and - the address and telephone number of its registered	Pages 487 and 506 (back cover) of the BNPP 2014 Registration Document

Information Incorporated by Reference	Reference
office (or principal place of business if different from its registered office).	
4.1.5 Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	Page 129 of the BNPP 2014 Registration Document
5. Business Overview	
5.1.1 A brief description of - the Issuer's principal activities stating, - the main categories of products sold and/or services performed.	Pages 6 to 15, 168 to 171 and 480 to 486 of the BNPP 2014 Registration Document
5.1.2 An indication of any significant new products and/or activities.	Pages 6 to 15, 168 to 171 and 480 to 486 of the BNPP 2014 Registration Document
5.1.3 A brief description of the principal markets in which the Issuer competes.	Pages 6 to 15, 168 to 171 and 480 to 486 of the BNPP 2014 Registration Document
5.1.4 The basis for any statements in the registration document made by the Issuer regarding its competitive position.	Pages 6 to 15 of the BNPP 2014 Registration Document
6. Organisational Structure	
6.1 If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	Page 4 of the BNPP 2014 Registration Document
6.2 If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Pages 231 to 239 and 417 to 419 of the BNPP 2014 Registration Document
8. Profit Forecasts or Estimates	
8.1. A statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	Pages 130 to 132 of the BNPP 2014 Registration Document
8.2. A report prepared by independent accountants or	NA

Information Incorporated by Reference	Reference
auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the Issuer.	
Where financial information relates to the previous financial year and only contains non-misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements: (a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information; (b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements; (c) this financial information has not been audited.	
8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	NA
9. Administrative, Management, and Supervisory Bodies	
9.1. Names, business addresses and functions in the Issuer of the following persons, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Pages 30 to 45 and 104 of the BNPP 2014 Registration Document
9.2. Administrative, Management, and Supervisory bodies conflicts of interests. Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly	Pages 45 to 73 and 77 of the BNPP 2014 Registration Document

Information Incorporated by Reference	Reference
stated. In the event that there are no such conflicts, make a statement to that effect.	
10. Major Shareholders	
10.1. To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 16 to 17 of the BNPP 2014 Registration Document
10.2. A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.	Page 17 of the BNPP 2014 Registration Document
2014 CONSOLIDATED FINANCIAL STATEMENTS	
Profit and loss account for the year ended 31 December 2014	Page 138 of the BNPP 2014 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 139 of the BNPP 2014 Registration Document
Balance sheet at 31 December 2014	Page 140 of the BNPP 2014 Registration Document
Cash flow statement for the year ended 31 December 2014	Page 141 of the BNPP 2014 Registration Document
Statement of changes in shareholders' equity between 1 January 2013 and 31 December 2014	Pages 142 to 143 of the BNPP 2013 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 144 to 240 of the BNPP 2013 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2014	Pages 241 to 242 of the BNPP 2013 Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 243 to 382 of the BNPP 2013 Registration Document
First Update to the BNPP 2014 Registration Document	
Quarterly Financial Information	Pages 4 to 65 of the First Update to the BNPP 2014 Registration Document
Additional Information	Pages 68 to 81 of the First Update to the BNPP 2014 Registration Document

Information Incorporated by Reference	Reference
Statutory Auditors	Page 82 of the First Update to the BNPP 2014 Registration Document
Second Update to the BNPP 2014 Registration Document	
1. Half year management report	Pages 3 to 67 of the Second Update to the BNPP 2014 Registration Document
1.1 Group presentation	Page 3 of the Second Update to the BNPP 2014 Registration Document
1.2 2015 first half results	Pages 4 to 67 of the Second Update to the BNPP 2014 Registration Document
1.3 Long term and short term credit ratings	Page 66 of the Second Update to the BNPP 2014 Registration Document
1.4 Related parties	Page 66 of the Second Update to the BNPP 2014 Registration Document
1.5 Risk factors	Page 66 of the Second Update to the BNPP 2014 Registration Document
1.6 Recent events	Page 66 of the Second Update to the BNPP 2014 Registration Document
3. Financial information as at 30 June 2015	Pages 68 to 149 of the Second Update to the BNPP 2014 Registration Document
3.1 Consolidated financial report as at 30 June 2015	Pages 68 to 149 of the Second Update to the BNPP 2014 Registration Document
Profit and loss account for the first half of 2015	Page 70 of the Second Update to the BNPP 2014 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 71 of the Second Update to the BNPP 2014 Registration Document
Balance sheet at 30 June 2015	Page 72 of the Second Update to the BNPP 2014 Registration Document
Cash flow statement for the first half of 2015	Page 73 of the Second Update to the BNPP 2014 Registration Document
Statement of changes in shareholders' equity between 1 January 2014 and 30 June 2015	Pages 74 and 75 of the Second Update to the BNPP 2014 Registration Document
Notes to the financial statements (prepared in accordance with IFRS as adopted by the European Union)	Pages 76 to 101 of the Second Update to the BNPP 2014 Registration Document

Information Incorporated by Reference	Reference
3.2 Statutory auditors' review report on the 2015 interim financial information	Pages 150 and 151 of the Second Update to the BNPP 2014 Registration Document
5. Additional information	Pages 157 to 164 of the Second Update to the BNPP 2014 Registration Document
5.1 Ownership structure at 30 June 2015	Page 157 of the Second Update to the BNPP 2014 Registration Document
5.2 Changes in BNP Paribas' capital	Page 157 of the Second Update to the BNPP 2014 Registration Document
5.5 Significant changes	Page 164 of the Second Update to the BNPP 2014 Registration Document
5.6 Trends	Page 164 of the Second Update to the BNPP 2014 Registration Document
BNP PARIBAS ARBITRAGE ISSUANCE B.V.	
2013 BNPP B.V. Annual Report	
Managing Director's Report	Pages 3 to 4 of the 2013 BNPP B.V. Annual Report
Balance Sheet at 31 December 2013	Page 5 of the 2013 BNPP B.V. Annual Report
Profit & Loss Account for the year ended 31 December 2013	Page 6 of the 2013 BNPP B.V. Annual Report
Cashflow Statement for the year ended 31 December 2013	Page 7 of the 2013 BNPP B.V. Annual Report
Notes/Other Information	Pages 9 to 17 of the 2013 BNPP B.V. Annual Report
Auditor's Report of the Financial Statements of BNPP B.V. for the year ended 31 December 2013	Pages 18 to 19 of the 2013 BNPP B.V. Annual Report
2014 BNPP B.V. Annual Report	
Managing Director's Report	Pages 3 to 4 of the 2014 BNPP B.V. Annual Report
Balance Sheet at 31 December 2014	Page 5 of the 2014 BNPP B.V. Annual Report
Profit & Loss Account for the year ended 31 December 2014	Page 6 of the 2014 BNPP B.V. Annual Report
Cashflow statement for the year ended 31 December 2014	Page 7 of the 2014 BNPP B.V. Annual Report
Shareholder's equity	Page 8 of the 2014 BNPP B.V. Annual Report
Notes/Other Information	Pages 9 to 17 of the 2014 BNPP B.V. Annual Report
Auditor's Report of the Financial Statements of BNPP B.V. for the year ended 31 December 2014	Pages 18 to 22 of the 2014 BNPP B.V. Annual Report
BNPP B.V. Interim Financial Statements	
Managing Director’s Report	Pages 3 to 4 of the BNPP B.V. Interim Financial Statements
Balance Sheet	Page 5 of the BNPP B.V. Interim Financial Statements
Profit and loss account	Page 6 of the BNPP B.V. Interim Financial Statements
Cash flow statement	Page 7 of the BNPP B.V. Interim Financial Statements
Shareholder's equity	Page 8 of the BNPP B.V. Interim Financial Statements
Notes to the Financial Statements	Pages 9 to 16 of the BNPP B.V. Interim Financial Statements
Other Information	Page 17 of the BNPP B.V. Interim Financial Statements
Review Report	Page 18 of the BNPP B.V. Interim Financial Statements

Information contained in the documents incorporated by reference other than information listed in the tables above is for information purposes only.

In addition to the above, the following documents published or issued from time to time after the date of this Base Prospectus shall be deemed to be incorporated in, and form part of, this Base Prospectus:

(a) the most recently published audited annual non-consolidated financial statements of BNPP B.V. together with the respective auditors' reports thereon being available as part of the most recently published statutory annual report of BNPP B.V. and, if published later, the interim financial statements of BNPP B.V.;

(b) the most recently published unaudited semi-annual interim consolidated financial statements, the most recently published audited annual consolidated financial statements together with the respective statutory auditors' reports thereon, as contained in BNPP's most recently published *document de référence et rapport financier annuel* in English and quarterly financial results of BNPP; and

(c) all supplements or amendments to this Base Prospectus circulated by the Issuer and/or the Guarantor from time to time.

Each Issuer will provide, free of charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference and such documents will be available free of charge during normal business hours from BNP Paribas Securities Services, Paris, Succursale de Zurich. Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6360). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement in accordance with the Listing Rules or publish a new Prospectus for use in connection with any subsequent issue of Securities.

GENERAL DESCRIPTION OF THE PROGRAMME

Issuers	BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") BNP Paribas ("**BNPP**" or the "**Bank**" and, together with its consolidated subsidiaries, the "**Group**")
Guarantor	BNP Paribas
Description of the Programme	Note, Warrant and Certificate Programme
Securities	Securities may be issued as Index Securities, Share Securities, ETI Securities, Debt Securities, Commodity Securities, Inflation Index Securities, Currency Securities, Fund Securities, Credit Securities, Futures Securities or open end turbo Certificates which will be redeemed on a date determined by the Issuer, in its sole and absolute discretion, subject as provided herein ("**OET Certificates**"), or any other or further type of warrants or certificates including Hybrid Securities where the Underlying Reference may be any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, funds, futures contracts or other asset classes or types.
Taxation	A Holder of W&C Securities must pay all specified expenses relating to the W&C Securities. Neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any W&C Security and all payments made by the relevant Issuer or the Guarantor shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Subject to Note Condition 6.2, all payments in respect of Notes, or under the relevant Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP B.V.) or France or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP as Guarantor) unless such withholding or deduction is required by law. In the event that any amounts are required to be deducted or withheld for, or on behalf of, any Dutch or French taxes, the Issuer or, as the case may be, the Guarantor shall, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted. If Condition 6.2 is specified as applicable in the applicable Final Terms, all payments made by the Issuer or the Guarantor shall be made subject to any

	tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.
Governing Law	The Securities and any related Guarantee will be governed by English or French Law as specified in the applicable Final Terms.

FORM OF FINAL TERMS FOR NOTES

FINAL TERMS DATED [●]

BNP Paribas Arbitrage Issuance B.V.

(incorporated in The Netherlands)

(as Issuer)

BNP Paribas

(incorporated in France)

(as Guarantor)

(Note, Warrant and Certificate Programme)
[insert title of Securities]

[BNP Paribas Arbitrage S.N.C.

(as Manager)

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth under the section**[**s**]** entitled "Terms and Conditions of the Notes" **[**and Annex 1 – Additional Terms and Conditions for Index Securities, Annex 2 – Additional Terms and Conditions for Share Securities, Annex 3 – Additional Terms and Conditions for ETI Securities, Annex 4 – Additional Terms and Conditions for Debt Securities, Annex 5 – Additional Terms and Conditions for Commodity Securities, Annex 6 – Additional Terms and Conditions for Inflation Index Securities, Annex 7 – Additional Terms and Conditions for Currency Securities, Annex 8 – Additional Terms and Conditions for Fund Securities and Annex 10 – Additional Terms and Conditions for Credit Securities**]** in the Base Prospectus dated 8 October 2015 and any Supplement(s) thereto approved and published on or before the date of these Final Terms (copies of which are available as described below), which together constitute[s] an issuance programme for the purposes of the listing rules of SIX Swiss Exchange (the "**SIX Listing Rules**"), as supplemented by the Additional Rules for the Listing of Derivatives (the "**Additional Rules for Derivatives**") or the Additional Rules for the Listing of Bonds (the "**Additional Rules for Bonds**"), as the case may be (collectively with the SIX Listing Rules, the "**Listing Rules**") (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base 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 Base Prospectus. The Base Prospectus and these Final Terms (in each case, together with any documents incorporated therein by reference) are available for viewing at, and copies may be obtained free of charge during normal business hours from BNP Paribas Securities Services, Paris, Succursale de Zurich. Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6360). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to include information which is no longer permitted in final terms. Where the final terms documenting the further issue would need to include such information, it will not be

possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth under the section**[s]** entitled "Terms and Conditions of the Notes" **[**and Annex 1 – Additional Terms and Conditions for Index Securities, Annex 2 – Additional Terms and Conditions for Share Securities, Annex 3 – Additional Terms and Conditions for ETI Securities, Annex 4 – Additional Terms and Conditions for Debt Securities, Annex 5 – Additional Terms and Conditions for Commodity Securities, Annex 6 – Additional Terms and Conditions for Inflation Index Securities, Annex 7 – Additional Terms and Conditions for Currency Securities, Annex 8 – Additional Terms and Conditions for Fund Securities and Annex 10 – Additional Terms and Conditions for Credit Securities] in the Base Prospectus dated [*original date*] [and the Supplement[s] to it dated [●]] which are incorporated by reference in the Base Prospectus dated [*current date*] 2015. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [*current date*] and any Supplement(s) thereto approved and published on or before the date of these Final Terms (copies of which are available as described below), which together constitute[s] an issuance programme for the purposes of the listing rules of SIX Swiss Exchange (the "**SIX Listing Rules**"), as supplemented by the Additional Rules for the Listing of Derivatives (the "**Additional Rules for Derivatives**") or the Additional Rules for the Listing of Bonds (the "**Additional Rules for Bonds**"), as the case may be (collectively with the SIX Listing Rules, the "**Listing Rules**") (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus. 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 Base Prospectus. The Base Prospectus and these Final Terms may be obtained free of charge during normal business hours from BNP Paribas Securities Services, Paris, Succursale de Zurich. Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6360). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms.

The following alternative language applies in respect of issues of Securities where the offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 8 October 2015[, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other Supplement to the Base Prospectus which may have been published and approved before the issue of any additional amount of Securities (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provide for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate)] which together constitute[s] an issuance programme for the purposes of the listing rules of SIX Swiss Exchange (the "**SIX Listing Rules**"), as supplemented by the Additional Rules for the Listing of Derivatives (the "**Additional Rules for Derivatives**") or the Additional Rules for the Listing of Bonds (the "**Additional Rules for Bonds**"), as the case may be (collectively with the SIX Listing Rules, the "**Listing Rules**") (the "**Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein and must be read in conjunction with the Base Prospectus. Full information on BNP Paribas Arbitrage Issuance B.V. (the "**Issuer**") and [BNP Paribas (the "**Guarantor**") and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms may be obtained free of charge during normal business hours from BNP Paribas Securities Services, Paris, Succursale de Zurich. Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6360). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms. **[***Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub paragraphs (in*

*which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms. However, such numbering may change where individual paragraphs or sub-paragraphs are removed.***]**

These Final Terms relate to the series of Securities as set out in "Specific Provisions for each Series" below. References herein to "**Securities**" shall be deemed to be references to the relevant Securities that are the subject of these Final Terms and references to "**Security**" shall be construed accordingly.

The Securities do not constitute collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). Accordingly, holders of the Securities do not benefit from protection under the CISA or supervision by the Swiss Financial Market Supervisory Authority ("**FINMA**"). Further, investors are exposed to the Issuer's and the Guarantor's insolvency risk.

If and to the extent the Securities will be listed on SIX Swiss Exchange, no simplified prospectus in the meaning of Article 5 para. 2 CISA in accordance with Article 4 para. 4 of the Swiss Federal Ordinance on Collective Investment Schemes ("**CISO**") must be prepared.

1.	(i)	Issuer:	BNP Paribas Arbitrage Issuance B.V.
	(ii)	Guarantor:	BNP Paribas
2.	Trade Date:		[*specify*] [Not Applicable]
3.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
4.	(i)	Specified Currency:	[●]
	(ii)	Settlement Currency	[●]
		Specified Exchange Rate:	[*specify set exchange rate*]/[Not Applicable] (*N.B. Specified Exchange Rate should be completed if the exchange rate is set up-front*).
		Settlement Currency Exchange Rate:	[Not Applicable]/[the exchange rate at [*specify time*], expressed as the amount of [*specify currency*] for which one [*specify currency unit*] may be exchanged by reference to [*specify source*] (or any successor [*page*] thereto, as determined by the Calculation Agent)]/[the exchange rate obtained by multiplying (i) [*specify first exchange rate*] and (ii) [*specify second exchange rate*], with [*specify first exchange rate*] expressed as the amount of [*specify currency*] for which one [*specify currency*] may be exchanged determined by the Calculation Agent by reference to [*specify source*] (or any successor [page] thereto, as determined by the Calculation Agent) at [*specify time*] and [*specify second exchange rate*] expressed as the amount of [*specify currency*] for which one [*specify currency*] may be exchanged determined by the

Calculation Agent by reference to [*specify source*] (or any successor [*page*] thereto, as determined by the Calculation Agent) at [*specify time*]]

Settlement Currency Exchange Rate Observation Date: [●] Business Days (*Settlement Currency Exchange Rate provisions not required if the Specified Currency and the Settlement Currency are the same*).

Reference Jurisdiction: [*specify*]

5. Aggregate Nominal Amount:

(i) Series: [●]

(ii) Tranche: [●]

6. Issue Price of Tranche: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only if applicable*)][which will be payable in the Settlement Currency at the Settlement Currency equivalent of such amount determined by reference to the Initial FX Rate.

Where:

"**Initial FX Rate**" means [*specify*]/ [the exchange rate at [*specify time*] on the [[●] Business Day prior to the Issue Date], expressed as the amount of [*specify currency*] for which one [*specify currency*] may be exchanged determined by the Calculation Agent by reference to [*specify source*] (or any successor [*page*] thereto, as determined by the Calculation Agent), provided that if such source is not available, any such rate of exchange may be determined by the Calculation Agent [by reference to such sources as it considers in its sole discretion to be appropriate] and acting in good faith and in a commercially reasonable manner]/[the exchange rate obtained by multiplying (i) [*specify first exchange rate*] and (ii) [*specify second exchange rate*], with [*specify first exchange rate*] expressed as the amount of [*specify currency*] for which one [*specify currency*] may be exchanged determined by the Calculation Agent by reference to [*specify source*] (or any successor [*page*] thereto, as determined by the Calculation Agent) at [*specify date/time*] and [*specify second exchange rate*] expressed as the amount of [*specify currency*] for which one [*specify currency*] may be exchanged determined by the Calculation Agent by reference to [*specify source*] (or any successor [*page*] thereto, as determined by the Calculation Agent) at [*specify date/time*] provided that if any such source is not available, any such rate of exchange may be determined by the Calculation Agent [by reference to such sources as it considers in its sole discretion to be appropriate] and acting in good faith and in a commercially reasonable manner]

7.	Minimum Trading Size:		[*specify*]
8.	(i)	Specified Denominations:	[●] (*Note – where multiple denominations above* [*€100,000*] *or equivalent are being used the following sample wording should be followed:* *"*[*€100,000*] *and integral multiples of* [*€1,000*] *in excess thereof up to and including* [*€199,000*]*."*) (*In respect of French Law Notes, there shall be one denomination only*)
	(ii)	Calculation Amount:	(*If only one Specified Denomination, insert the Specified Denomination.* *If more than one denomination, insert the highest common factor.* *Note: There must be a common factor in the case of two or more Specified Denominations.*)
9.	(i)	Issue Date [and Interest Commencement Date]:	[●]
	(ii)	[Interest Commencement Date (if different from the Issue Date):]	[●]
10.	Maturity Date:		[*Specify date*] [or if that is not a Business Day the immediately [succeeding/preceding] Business Day [unless it would thereby fall into the next calendar month, in which event it will be brought forward to the immediately preceding Business Day] [(the "**Scheduled Maturity Date**")]
11.	Form of Notes:		[Certificated Notes/Uncertificated Notes]
12.	Interest Basis:		[[●] per cent. Fixed Rate][[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate][Fixed Rate and Floating Rate][Zero Coupon][Index Linked Interest][Share Linked Interest][Inflation Linked Interest][Commodity Linked Interest][Fund Linked Interest][ETI Linked Interest][Currency Linked Interest][Hybrid Linked Interest] [and Dual Currency Interest] [*If the Notes are Dual Currency Interest Notes, another Interest Basis must always be specified.*] [Debt Linked Interest] (further particulars specified below) [Non-interest bearing]
13.	Redemption/Payment Basis:		[Redemption at par][[*specify*] per cent. of nominal amount][Index Linked Redemption][Share Linked

		Redemption][Inflation Linked Redemption][Commodity Linked Redemption][Fund Linked Redemption][Credit Linked Redemption][ETI Linked Redemption][Foreign Exchange (FX) Rate Linked Redemption][Hybrid Redemption][Debt Linked Redemption][Partly Paid][Instalment][and Dual Currency Redemption][*If the Notes are Dual Currency Redemption Notes, another Redemption/Payment Basis must always be specified.*]
14.	Put/Call Options:	[Noteholder Put Option][Issuer Call Option][Not applicable] [(further particulars specified below)]
15.	Exchange Rate:	[*insert rate of exchange and details of how and when such rate is to be ascertained*]/[Not applicable]
16.	Strike Date:	[*specify*]/[Not applicable]/[see item [●] above/below] [Currency Convention: [As per Conditions]/[Modified Following Currency Convention]/[Preceding Currency Convention]] (*N.B. Only applicable to Currency Securities*)
17.	Strike Price:	[*specify*] / [see item [●] above] / [Not applicable]
18.	Averaging:	Averaging [applies/does not apply] to the Securities. [The Averaging Dates are [*specify*].] (*Not applicable to Inflation Index Securities*) [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Condition 12) will apply.] *(N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities*) [Currency Convention: [As per Conditions]/[Modified Following Currency Convention]/[Preceding Currency Convention]] (*N.B. only applicable to Currency Securities*) [In the event that an Averaging Date is a Disrupted Day, the provisions of Annex 1 will apply] (*N.B. Only applicable to Index Securities relating to a Custom Index*)
19.	Observation Dates:	[*specify*]/[Not applicable] [Currency Convention: [As per Conditions]/[Modified Following Currency Convention]/[Preceding Currency Convention]] (*N.B. only applicable to Currency Securities*) [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (*N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities*) [In the event that an Observation Date is a Disrupted Day, the provisions of Annex 1 will apply] (*N.B. Only applicable to*

Index Securities relating to a Custom Index)

[Observation Day Disruption Consequences are not applicable.]

20. Observation Period: [*specify*]/[Not applicable] (*Not applicable to Inflation Index Securities*)

21. Additional Disruption Events: [Applicable/Not applicable]/[[Change in Law/Hedging Disruption] does not apply to the Securities]

22. Optional Additional Disruption Events:

(a) [Not applicable]/[The following Optional Additional Disruption Events apply to the Securities:

(*Specify each of the following which applies. N.B. Optional Additional Disruption Events are applicable to certain Index Securities, Share Securities, ETI Securities and Commodity Securities. Careful consideration should be given to whether Optional Additional Disruption Events would apply for Debt Securities, Currency Securities and Fund Securities*.)

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

(*N.B. Only applicable in the case of Share Securities*)

[Cancellation Event]

(*N.B. Only applicable in the case of Debt Securities*)

[Loss of Stock Borrow]

[[Stop-Loss Event]

[Stop-Loss Event Percentage: [5] per cent.]]

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

(b) [The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant Share/Security*] is [●].

(*N.B. Only applicable if Loss of Stock Borrow is applicable*)]

[The Initial Stock Loan rate in respect of [*specify in relation to each relevant Share/Security*] is [●].

(*N.B. Only applicable if Increased Cost of Stock*

Borrow is applicable)]

(c) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: [Applicable/Not applicable]

[*if applicable*:

Principal Protected Termination Amount: [Applicable/Not applicable]]]

23. Knock-in Event[1]: [Applicable/Not applicable]

[If applicable:

[*specify*]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Level: [*specify*]/[As per Conditions]

(ii) Knock-in Level/Knock-in Range Level: [*specify*]]/[[From and including/From but excluding][*specify*][to and including/to but excluding][*specify*]]

(iii) Knock-in Period Beginning Date: [*specify*]

(iv) Knock-in Period Beginning Date Day Convention: [Applicable/Not applicable]

(v) Knock-in Determination Period: [*specify*]/[See definition in Condition 10.7]

(vi) Knock-in Determination Day(s): [*specify*]/[Each [Scheduled Trading Day in the Knock-in Determination Period/Scheduled Custom Index Business Day in the Knock-in Determination Period/Commodity Business Day in the Knock-in Determination Period/Business Day in the Knock-in Determination Period]

(vii) Knock-in Period Ending Date: [*specify*]

(viii) Knock-in Period Ending Date Day Convention: [Applicable/Not applicable]

(ix) Knock-in Valuation Time: [*specify*]/[See definition in Condition 10.7]/[Valuation Time]/[Any time on a Knock-in Determination Day]/Not applicable]

(x) Disruption Consequences: [Applicable/Not applicable]

24. Knock-out Event[2]: [Applicable/Not applicable]

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1 Only applicable in relation to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities, Debt Securities and Futures Securities.

2 Only applicable in relation to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities, Debt Securities and Futures Securities.

			[If applicable: [*specify*]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Level:	[*specify*]/[As per Conditions]
	(ii)	Knock-out Level /Knock-out Range Level:	[*specify*]]/[[From and including/From but excluding][*specify*][to and including/to but excluding][*specify*]]
	(iii)	Knock-out Period Beginning Date:	[*specify*]
	(iv)	Knock-out Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(v)	Knock-out Determination Period:	[*specify*]/[See definition in Condition 10.7]
	(vi)	Knock-out Determination Day(s):	[*specify*]/[Each [Scheduled Trading Day in the Knock-out Determination Period/Scheduled Custom Index Business Day in the Knock-out Determination Period/Commodity Business Day in the Knock-out Determination Period/Business Day in the Knock-out Determination Period]
	(vii)	Knock-out Period Ending Date:	[*specify*]
	(viii)	Knock-out Period Ending Date Day Convention:	[Not Applicable/Applicable]
	(ix)	Knock-out Valuation Time:	[*specify*]/[See definition in Condition 10.7] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]
	(x)	Disruption Consequences:	[Applicable/Not applicable]
25.	Tax Gross-up:		[Condition 6.2 (*No Gross-up*) applicable]/[Condition 6.2 (*No Gross-up*) not applicable]
26.	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

27.	Interest:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* (*If the Notes are Fixed Rate and Floating Rate Notes, complete prompts (i) to (xiii) accordingly*)
	(i)	Interest Period(s):	[*specify*]
	(ii)	Interest Period End Date(s):	[*specify*] in each year

(iii)	Business Day Convention for Interest Period End Date(s):	[Following / Modified Following / Preceding / FRN / None / Not applicable]
(iv)	Interest Payment Date(s):	[*specify*]
(v)	Business Day Convention for Interest Payment Date(s):	[Following / Modified Following / Preceding / FRN / None / Not applicable] (*If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention*)
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[*specify*]
(vii)	Margin(s):	[[+/-][*specify*] per cent. per annum / Not applicable]
(viii)	Minimum Interest Rate:	[[*specify*] per cent. per annum / Not applicable]
(ix)	Maximum Interest Rate:	[[*specify*] per cent. per annum / Not applicable]
(x)	Day Count Fraction:	[*specify*] / [unadjusted]
(xi)	Determination Dates:	[*specify*] in each year [*insert regular payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon*.] *(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
(xii)	Accrual to Redemption:	[Applicable/Not applicable] [If Accrual to Redemption is Not Applicable: Accrual to Preceding IPED: [Applicable/Not Applicable][*insert in the case of Credit Securities where Accrual to Redemption is Not Applicable*]]
(xiii)	Rate of Interest:	[Fixed Rate] [Floating Rate] [Linked Interest]
(xiv)	Coupon Rate:	[*specify*] [*N.B. Only applicable if the Rate of Interest specified is Linked Interest*]

28. Fixed Rate Provisions: [Applicable/Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

			(*Specify if more than one fixed rate is to be determined*)
	(i)	Fixed Rate[(s)] of Interest ([including/excluding] on overdue amounts after Maturity Date or date set for early redemption):	[●] per cent. [per annum] [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Fixed Coupon Amount(s):	[[●] per Calculation Amount] / [Not applicable]
29.	Floating Rate Provisions:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*Specify if more than one floating rates is to be determined*)
	(i)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/FBF Determination]
	(ii)	Linear Interpolation:	[Not applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period)]*
30.	Screen Rate Determination:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	–	Reference Rate:	[LIBOR/EURIBOR] (*The Reference Rate must be LIBOR or EURIBOR*)
	–	Interest Determination Date(s):	[●] (*Second London business day prior to the start of each Interest Period if LIBOR and second TARGET2 day prior to the start of each Interest Period if EURIBOR*)
	–	Specified Time:	[●] (*which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR*)
	–	Relevant Screen Page:	[●] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate*)
31.	ISDA Determination:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	–	Floating Rate Option:	[●]
	–	Designated Maturity:	[●]

	–	Reset Date:	[●]
32.	FBF Determination:		[Applicable/Not applicable] [*If applicable*: [*specify relevant terms*]]
33.	Zero Coupon Provisions:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
34.	Index Linked Interest Provisions:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index/Basket of Indices:	[●] [The [●] Index is a [Component Security]/[Multi-Exchange] Index.][3] [The [●] Index is a Custom Index.][4]
	(ii)	Index Currency:	[*specify*]
	(iii)	Screen Page:	[●]
	(iv)	Interest Valuation Date(s):	[*specify*]
	(v)	Disrupted Day:	[If the relevant Settlement Price Date or an Averaging Date, as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*]. (*N.B. Only applicable in the case of the Indices other than Custom Indices*] [If the Interest Valuation Date, or Observation Date or an Averaging Date is a Disrupted Day, the Settlement Price will be calculated in accordance with Annex 1] [*insert Calculation Method.*] *(N.B. Only applicable in the case of Custom Indices*)
	(vi)	Specified Maximum Days of Disruption:	[As per Conditions]/[*specify*] Scheduled Trading Days] *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
	(vii)	Exchange Business Day:	[(All Indices Basis)/(Per Index Basis)/(Single Index Basis)] (*Standard election is All Indices Basis*)

[3] Specify each Component Security Index and/or Multi-Exchange Index (if any).

[4] Specify each Custom Index (if any).

(viii)	Scheduled Trading Day:	[(All Indices Basis)/(Per Index Basis)/(Single Index Basis)] (*Must match election made for Exchange Business Day*)
(ix)	Exchange(s) and Index Sponsor:	(a) the relevant Exchange[s] [is/are] [●]; and (b) the relevant Index Sponsor is [●].
(x)	Related Exchange(s):	[*specify*]/[All Exchanges]
(xi)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from* Annex 1]
(xii)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in the case of Index Linked Notes]/[*specify*]. (*N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices*)]
(xiii)	Valuation Time:	[Scheduled Closing Time/Any time [on the relevant Settlement Price Date/during the Observation Period.] [[●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no time is specified, the Interest Valuation Time will be the Scheduled Closing Time*)
(xiv)	Index Correction Period:	[As per Conditions/*specify*]
(xv)	Delayed Redemption on the Occurrence of Index Adjustment Event:	[Applicable/Not applicable] [*If applicable*: Principal Protected Termination Amount: [Applicable/Not applicable]]
(xvi)	Other terms or special conditions:	[Not applicable]/[*specify*]
(xvii)	Additional provisions applicable to Custom Indices:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Custom Index Business Day:	[(All Custom Indices Basis)/(Per Custom Index Basis)(Single Custom Index Basis)]
	(b) Scheduled Custom Index Business Day:	[(All Custom Indices Basis)/(Per Custom Index Basis)/(Single Custom Index Basis)] (*Must match election made for Custom Index Business Day*)
	(c) Valuation Time:	[As per the Conditions]/[[●], being the time specified on the Valuation Date or an Averaging Date or Observation Date as the case may be, for the calculation of the Settlement Price.]

(*N.B. if no time is specified, the Interest Valuation Time will be the Scheduled Closing Time)*

(d) Custom Index Correction Period: [As per Conditions]/[*specify*]

(e) Custom Index Disruption Event: [[Specified Maximum Days of Disruption will be equal to: [●]]/[As per Conditions]]

(*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*)

(f) Delayed Redemption on Occurrence of Custom Index Adjustment Event: [Applicable with a rate of [●] per cent. per annum/Not applicable]

(g) Other terms or special conditions: [Not applicable]/[*specify*]

(xviii) Additional provisions applicable to Futures Price Valuation: [Applicable/Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(a) Exchange-traded Contract: [*specify*]/[*If the Index Securities are Rolling Futures Contract Securities*: Index Security Condition 9.2 applies]

(b) Delivery or expiry month: [*specify*]/[Not applicable]

(*Not applicable in the case of Index Securities that are Rolling Futures Contract Securities*)

(c) Period of Exchange-traded Contracts: [*specify*]/[Not applicable]

(*Only applicable in case of Index Securities that are Futures Rollover Securities*)

(d) Futures or Options Exchange: [*specify*]

(e) Rolling Futures Contract Securities: [Yes/No]

(f) Futures Rollover [Date/Period]: [Not applicable]/[*specify*]

35. Share Linked Interest Provisions [Applicable/Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Share(s)/Share Company/Basket of Shares/GDR/ADR: [●]

[GDR/ADR applicable]

		[Insert GDR/ADR][5]
(ii)	Relative Performance Basket:	[Not applicable/*specify*]
(iii)	Share Currency:	[*specify*]
(iv)	ISIN of Share(s):	[*specify*]
(v)	Screen Page/Exchange Code:	[*specify*]
(vi)	Interest Valuation Date(s):	[*specify*]
(vii)	Exchange Business Day:	[(All Shares Basis)/(Per Share Basis)/(Single Share Basis)] (*standard election is All Shares Basis*)
(viii)	Scheduled Trading Day:	[(All Shares Basis)/(Per Share Basis)/(Single Share Basis)] (*Must match election made for Exchange Business Day*)
(ix)	Exchange(s):	The relevant Exchange[s] [is/are] [●].
(x)	Related Exchange(s):	[*specify*/All Exchanges]
(xi)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 2*]. (*N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition*.)
(xii)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in the case of Share Linked Notes]/[*specify*]. (*N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Shares*)]
(xiii)	Valuation Time:	[Scheduled Closing Time/Any time [on the relevant Settlement Price Date/during the Observation Period.] [The Valuation Time is [●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. If no time is specified, the Interest Valuation Time will be the Scheduled Closing Time*)
(xiv)	Share Correction Period:	[As per Conditions/*specify*]
(xv)	Disrupted Day	If the relevant Settlement Price Date or an Averaging Date, as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
(xvi)	Market Disruption:	Specified Maximum Days of Disruption will be equal to [●]/[eight]:

[5] Specify each GDR or ADR (if any). In the case of Share Linked Notes relating to a GDR/ADR, complete Share Linked Final Terms as applicable for GDR/ADR reference asset(s).

			(*If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to eight*)
	(xvii)	Tender Offer:	[Applicable/Not applicable]
	(xviii)	Listing Change:	[Applicable/Not applicable]
	(xix)	Listing Suspension:	[Applicable/Not applicable]
	(xx)	Illiquidity:	[Applicable/Not applicable]
	(xxi)	Delayed Redemption on the Occurrence of an Extraordinary Event:	[Applicable/Not applicable] [*if applicable*: Principal Protected Termination Amount: [Applicable/Not applicable]]
	(xxii)	Other terms or special conditions	[Not applicable]/[*specify*]
36.	Inflation Linked Interest Provisions:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) *(If more than one Inflation Rate is to be determined, repeat items (i) to (ix) for each such Inflation Rate and, if FI Digital Coupon is applicable, distinguish between the Inflation Rate which is FI Rate A and the Inflation Rate which is FI Rate B)*
	(i)	Index:	[●] [Composite/non Composite]
	(ii)	Screen Page/Exchange Code:	[●]
	(iii)	Cut-Off Date:	[●]/[Not applicable]
	(iv)	Related Bond:	[●]/Fall Back Bond
	(v)	Issuer of Related Bond:	[●]/[Not applicable]
	(vi)	Fallback Bond:	[Applicable/Not applicable]
	(vii)	Index Sponsor:	[●]
	(viii)	Related Bond Redemption Event:	[Applicable/Not applicable]
	(ix)	Interest Valuation Date:	[●]
	(x)	Other terms or special conditions:	[Not applicable]/[*specify*]
37.	Commodity Linked Interest Provisions:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i)	Commodity/Commodities/Commodity Index/ Commodity Indices:	[●] [The Sponsor[s] of the Commodity Index/Indices is/are [●]]
(ii)	Pricing Date(s):	[●]
(iii)	Initial Pricing Date:	[*specify*]
(iv)	Final Pricing Date:	[*specify*]
(v)	Commodity Reference Price:	[●] The Price Source is/are [●]
(vi)	Delivery Date:	[●] / [Not Applicable]
(vii)	Nearby Month:	[●]/ [Not Applicable]
(viii)	Specified Price:	[*specify*]
(ix)	Exchange(s):	The relevant Exchange[s] [is/are] [●] / [Not Applicable].
(x)	Specified Maximum Days of Disruption:	[●]/[As per Conditions] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)* *(N.B. Applicable only to Price Source Disruption or Trading Disruption*)
(xi)	Disruption Fallback(s):	[As per Commodity Security Condition 1]/[Not applicable]
(xii)	Weighting:	The Weighting to be applied to each item comprising the Commodity Basket is [●]
(xiii)	Other terms or special conditions:	[Not applicable]/[*specify*]
(xiv)	Rolling Futures Contract Securities:	[Yes/No] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Futures Rollover [Date/Period]:	[Not applicable]/[*specify*]

38. Fund Linked Interest Provisions: [Applicable/Not applicable]

(i)	Fund/Fund Basket:	[●] [The [●] Fund is a Mutual Fund] [The [●] Fund is a Hedge Fund] [The [●] Fund is a Private Equity Fund]

(ii)	Fund Shares:	[●]
(iii)	Fund Documents:	[As per the Conditions]/[●]
(iv)	Fund Business Day:	[All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis]
(v)	Fund Service Provider:	[As per Conditions]/[●]
(vi)	Calculation Date(s):	[As per Conditions]/[●]
(vii)	Initial Calculation Date:	[As per Conditions]/[●]
(viii)	Final Calculation Date:	[●]
(ix)	Hedging Date:	[●]
(x)	NAV Trigger Percentage:	[As per Conditions]/[●]
(xi)	NAV Trigger Period:	[As per Conditions]/[●]
(xii)	Number of NAV Publication Days:	[As per Conditions]/[●]
(xiii)	AUM Level:	[As per Conditions]/[*specify*]
(xiv)	Basket Trigger Level:	[●]/[As per Conditions]
(xv)	Interest Valuation Date:	[●]
(xvi)	Termination Amounts:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]/[Not applicable]
(xvii)	Simple Interest Spread:	[As per Conditions]/[*specify*]
(xviii)	Termination Date:	[●]
(xix)	Weighting:	The Weighting to be applied to each Fund Share comprising the Fund Basket is [●]
(xx)	Protected Amount	[*specify*] per Specified Denomination
(xxi)	Additional Extraordinary Fund Event(s):	[*specify*]
(xxii)	Fee:	[*specify*]/[Not applicable]
(xxiii)	Delayed Redemption on Occurrence of an Extraordinary Fund Event:	[Applicable/Not applicable]
(xxiv)	Delayed Payment Cut-Off Date:	[As per Conditions]/[*specify*]
(xxv)	Other terms or special conditions	[Not applicable]/[*specify*]

39. ETI Linked Interest Provisions: [Applicable/Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this*

		paragraph)
(i)	ETI/ETI Basket:	[●]
(ii)	ETI Interest(s):	[*Insert type of ETI Interest(s)*]
(iii)	ETI Related Party:	[As per Conditions]/[*specify*]
(iv)	Exchange(s):	[The relevant Exchange[s] [is/are] [●]/[Not applicable]
(v)	Related Exchange:	[*specify*]/[All Exchanges]/[Not applicable]
(vi)	Exchange Business Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
(vii)	Scheduled Trading Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
(viii)	Calculation Date(s):	[As per Conditions]/[*specify*]
(ix)	Initial Calculation Date:	[As per Conditions]/[*specify*]
(x)	Final Calculation Date:	[*specify*]
(xi)	Hedging Date:	[*specify*]
(xii)	Investment/AUM Level:	[As per Conditions][*specify*]
(xiii)	Value per ETI Interest Trading Price Barrier:	[As per Conditions]/[*specify*]
(xiv)	Number of Value Publication Days:	[[●] calendar days] [[●] Business Days (as defined in Condition 3.12)] [Additional Financial Centre: [*specify*]] *(N.B. Only applicable if Number of Value Publication Days is calculated by reference to Business Days)*
(xv)	NAV Trigger Percentage:	[As per Conditions]/[*specify*]
(xvi)	NAV Trigger Period:	[As per Conditions]/[*specify*]
(xvii)	Basket Trigger Level:	[As per Conditions]/[*specify*]
(xviii)	Settlement Price:	[Official closing price]/[NAV per ETI Interest] The Settlement Price will be calculated [*insert calculation method if different from Annex 3*]
(xix)	Valuation Time:	[*specify*]
(xx)	Interest Valuation Time:	[*specify*]
(xxi)	Interest Valuation Date:	[*specify*]
(xxii)	Additional Extraordinary ETI Event(s):	[*specify*]

	(xxiii)	Maximum Stock Loan Rate:	[Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [●].]
	(xxiv)	ETI Interest Correction Period:	[*specify*]
	(xxv)	Termination Amount:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]
	(xxvi)	Simple Interest Spread:	[As per Conditions]/[*specify*]
	(xxvii)	Termination Date:	[*specify*]
	(xxviii)	Market Disruption:	Specified Maximum Days of Disruption will be equal to [●][eight] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption shall be equal to eight.*)
	(xxix)	Weighting:	The Weighting to be applied to each ETI Interest comprising the ETI Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in the case of ETI Linked Notes] [*specify*] (*N.B. Only applicable in relation to Cash Settled Notes relating to an ETI Basket*)
	(xxx)	ETI Documents:	[As per Conditions]/[*specify*]
	(xxxi)	Protected Amount	[Not Applicable]/[*specify*] per Specified Denomination
	(xxxii)	Additional Extraordinary ETI Event(s)	[*specify*]
	(xxxiii)	Delayed Redemption on the Occurrence of an Extraordinary ETI Event:	[Applicable/Not applicable]
	(xxxiv)	Other terms or special conditions:	[Not applicable]/[*specify*]
40.	Foreign Exchange (FX) Rate Linked Interest Provisions:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	The relevant base currency (the "**Base Currency**") is:	[*specify*]
	(ii)	The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]:	[*specify*]
	(iii)	Weighting:	[*specify*]
	(iv)	Price Source:	[*specify*]
	(v)	Disruption Event:	Specified Maximum Days of Disruption will be equal to [●]/[five]

			(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)
	(vi)	Delayed Redemption on Occurrence of a Disruption Event:	[Applicable/Not applicable] [*If applicable*: Principal Protected Termination Amount: [Applicable/Not applicable]]
	(vii)	Relevant Screen Page:	[*specify*]
	(viii)	Valuation Time:	[*specify*]
	(ix)	Interest Valuation Date:	[●] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
	(x)	Other terms or special conditions:	[Not applicable]/[*specify*]
41.	Debt Securities:		[Applicable/Not applicable]
	(a)	Debt Instruments:	[*specify*] (*Not applicable if Futures Price Valuation is applicable*)
	(b)	Nominal Amount:	[The relevant nominal amount is [●] and the relevant screen page (the "**Relevant Screen Page**") is [●].[Not applicable] (*Not applicable if Futures Price Valuation is applicable*)
	(c)	Exchange Business Day Centre(s):	[*specify*]
	(d)	Valuation Time:	[*specify*]
	(e)	Interest Valuation Date:	[*specify*]
	(f)	Specified Maximum Days of Disruption:	[As defined in Condition 12]/[[*specify*] Scheduled Trading Days.] *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)* (*Not applicable if Futures Price Valuation is applicable*)
	(g)	Delayed Redemption on Occurrence of Debt Instrument Redemption Event:	[Applicable/Not applicable] [*If applicable:* Principal Protected Termination Amount: [Applicable/Not applicable]] (*Not applicable if Futures Price Valuation is applicable*)

(h)	Debt Instrument Issuer:	[ ]/[Not applicable] (*Not applicable if Futures Price Valuation is applicable*)
(i)	Debt Instrument Correction Period:	[As per the Conditions]/[ ]/[Not applicable] (*Not applicable if Futures Price Valuation is applicable*)
(j)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
(k)	Other terms or special conditions:	[*specify*]/[Not applicable]
(l)	Additional provisions applicable to Futures Price Valuation:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Exchange-traded Contract:	[*Specify*]/[*If the Debt Securities are Rolling Futures Contract Securities*: Debt Security Condition 7 applies]
	(ii) Synthetic Debt Instrument:	[*include description of the key terms of the synthetic debt instrument*]
	(iii) Delivery or expiry month:	[*Specify*]/[Not applicable] (*Not applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)
	(iv) Period of Exchange-traded Contracts:	[*Specify*]/[Not applicable] (*Only applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)
	(v) Futures or Options Exchange:	[*Specify*]
	(vi) Rolling Futures Contract Securities:	[Yes/No]
	(vii) Futures Rollover [Date/Period]:	[Not applicable]/[*Specify*]
	(viii) Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract:	[Applicable/Not applicable] [*If applicable:* Principal Protected Termination Amount: [Applicable/Not applicable]]
	(ix) Daily Settlement Price Correction Period:	[As per the Conditions][*Specify*]
42.	Additional Business Centre(s) (Condition 3.12):	[●]

PROVISIONS RELATING TO REDEMPTION

43.	Final Redemption Amount:		[Calculation Amount x [●] per cent]/[Final Payout][As per the Credit Security Conditions and paragraph 54 (Credit Linked Notes) below]
44.	Final Payout:		[*specify*]/[Not applicable]/[(*N.B. Only relevant if the Final Redemption Amount is linked to one or more Underlying References*)]
45.	Automatic Early Redemption[6]:		[Applicable/Not applicable] [*If applicable*: [*specify*]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Automatic Early Redemption Amount:	[*specify*][See Conditions]
	(ii)	Automatic Early Redemption Date(s):	[*specify*]
	(iii)	Automatic Early Redemption Level:	[*specify*]
	(iv)	Automatic Early Redemption Percentage:	[[●] per cent.]/[Not applicable]
	(v)	Automatic Early Redemption Rate:	[*specify*]
	(vi)	Automatic Early Redemption Valuation Date(s)/Period(s):	[*specify*]
	(vii)	Automatic Early Redemption Valuation Time:	[*specify*]
	(viii)	Underlying Reference Level:	[*specify*]/[As per Conditions]
	(ix)	Underlying Reference(s):	[See item [●] below]/[Not applicable]
	(x)	Basket of Underlying References:	[Applicable]/[Not applicable]
46.	Issuer Call Option:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Valuation Date(s):	[●]

[6] Only applicable in relation to Index Securities, Share Securities, ETI Securities, Commodity Securities, Debt Securities, Futures Securities and Currency Securities

	(iii)	Optional Redemption Amount(s) and method (if any) of calculating such amount(s):	[Calculation Amount x [●] per cent.] [*specify*]
	(iv)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●]
		(b) Higher Redemption Amount:	[●]
	(v)	Notice Period (if different from the Notice Period set out in Conditions):	[●]
47.	Noteholder Put Option:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Valuation Date(s):	[●]
	(iii)	Optional Redemption Amount(s) and method (if any) of calculating such amount(s):	[Calculation Amount x [●] per cent.] [*specify*]
	(iv)	Notice Period (if different from the Notice Period set out in the Conditions):	[●]
48.	Aggregation:		[Applicable/Not applicable]
49.	Index Linked Redemption Amount:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index/Basket of Indices:	[●] [The [●] Index is a [Component Security]/[Multi-Exchange] Index.][7] [The [●] Index is a Custom Index][8]
	(ii)	Index Currency:	[*specify*]
	(iii)	Screen Page:	[*specify*]
	(iv)	Redemption Valuation Date:	[●]

[7] Specify each Component Security Index and/or Multi-Exchange Index (if any).

[8] Specify each Custom Index (if any).

(v)	Exchange Business Day:	[(All Indices Basis)/(Per Index Basis)/(Single Index Basis)] (*Standard election is All Indices Basis*)
(vi)	Scheduled Trading Day:	[(All Indices Basis)/(Per Index Basis)/(Single Index Basis)] (*Must match election made for Exchange Business Day*)
(vii)	Exchange(s) and Index Sponsor:	(A) the relevant Exchange[s] [is/are] [●]; and (B) the relevant Index Sponsor is [●].
(viii)	Related Exchanges:	[*specify*/All Exchanges]
(ix)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from* Annex 1]
(x)	Weighting:	[Not applicable/The Weighting to be applied to each Index comprising the Basket of Indices is [●]. Each such Weighting shall be subject to adjustment in the case of Index Linked Notes]/[*specify*]. (*N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices*)]
(xi)	Valuation Time:	[Scheduled Closing Time]/[Any time [on the relevant Settlement Price Date /during the Observation Period.] [[●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. If no time specified, the Valuation Time will be the Scheduled Closing Time) (N.B. Only applicable to Indices other than Custom Indices)* [As per the Conditions]/[●] being the time specified on the Valuation Date or an Averaging Date or Observation Date as the case may be, for the calculation of the Settlement Price.] (*N.B. If no time specified, the Valuation Time will be as per the Conditions) (N.B. Only applicable to Custom Indices*)
(xii)	Index Correction Period:	[As per Conditions/[*specify*]]
(xiii)	Disrupted Day:	[If the relevant Settlement Price Date or an Averaging Date, as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*]. (*N.B. Only applicable in the case of the Indices other than Custom Indices*] [If the Redemption Valuation Date, or Observation Date or an Averaging Date is a Disrupted Day, the Settlement Price will be calculated in accordance with Annex 1] [*insert calculation method*.] (*N.B. Only applicable in the case of Custom Indices*)
(xiv)	Specified Maximum Days of Disruption:	[As per Conditions]/[Specified Maximum Days of Disruption will be equal to [*specify*] Scheduled Trading Days]: (*Unless otherwise stated, Specified Maximum Days of*

		Disruption will be equal to eight)
(xv)	Delayed Redemption on the Occurrence of Index Adjustment Event:	[Applicable/Not Applicable] [*If applicable*: Principal Protected Termination Amount: [Applicable/Not applicable]]
(xvi)	Other terms or special conditions:	[Not applicable/*specify*]
(xvii)	Additional provisions applicable to Custom Indices:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Custom Index Business Day:	[(All Custom Indices Basis)/(Per Custom Index Basis)(Single Custom Index Basis)]
	(b) Scheduled Custom Index Business Day:	[(All Custom Indices Basis)/(Per Custom Index Basis)/(Single Custom Index Basis)] (*Must match election made for Custom Index Business Day*)
	(c) Custom Index Correction Period:	[As per Conditions]/[*specify*]
	(d) Custom Index Disruption Event:	[[Specified Maximum Days of Disruption will be equal to: **[**●]]/[As per Conditions]] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*)
	(e) Delayed Redemption on the Occurrence of Custom Index Adjustment Event:	[Applicable with a rate of [●] per cent. per annum /Not applicable]
	(f) Other terms or special conditions:	[Not applicable]/[*specify*]
(xviii)	Additional provisions applicable to Futures Price Valuation:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Exchange-traded Contract:	[*specify*]/[*If the Index Securities are Rolling Futures Contract Securities*: Index Security Condition 9.2 applies]
	(b) Delivery or expiry month:	[*specify*]/[Not applicable] (*Not applicable in the case of Index Securities that are Rolling Futures Contract Securities*)
	(c) Period of Exchange-traded Contracts:	[*specify*]/[Not applicable] (*Only applicable in case of Index Securities that are Futures*

Rollover Securities)

	(d)	Futures or Options Exchange:	[*specify*]
	(e)	Rolling Futures Contract Securities:	[Yes/No]
	(f)	Futures Rollover [Date/Period]:	[Not applicable]/[*specify*]

50. Share Linked Redemption Amount**:** [Applicable/Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i)	Share(s)/Share Company/Basket Company/GDR/ADR:	[●] [GDR/ADR applicable] [Insert GDR/ADR][9]
(ii)	Relative Performance Basket:	[Not applicable/*specify*]
(iii)	Share Currency:	[*specify*]
(iv)	ISIN of Share(s):	[*specify*]
(v)	Screen Page/Exchange Code:	[*specify*]
(vi)	Redemption Valuation Date:	[●]
(vii)	Exchange Business Day:	[(All Shares Basis)/(Per Share Basis)/(Single Share Basis)] (*Standard election is All Shares Basis*)
(viii)	Scheduled Trading Day:	[(All Shares Basis)/(Per Share Basis)/(Single Share Basis)] (*Must match election made for Exchange Business Day*)
(ix)	Exchange(s):	The relevant Exchange[s] [is/are] [●].
(x)	Related Exchange(s):	[*specify*/All Exchanges]
(xi)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from* Annex 1]
(xii)	Weighting:	[Not applicable/The Weighting to be applied to each Share comprising the Basket of Shares is [●]. Each such Weighting shall be subject to adjustment in the case of Share Linked Notes]/[*specify*]. (*N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Shares*)
(xiii)	Valuation Time:	[Scheduled Closing Time/Any time [on the relevant Settlement Price Date]/[during the Observation Period].] [The Valuation

[9] Specify each GDR or ADR (if any). In the case of Share Linked Notes relating to a GDR/ADR, complete Share Linked Final Terms as applicable for GDR/ADR reference asset(s).

			Time is [●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).
	(xiv)	Share Correction Period:	[As per Conditions/*specify*]
	(xv)	Disrupted Day:	[If the relevant Settlement Price Date or an Averaging Date, as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*]. (*N.B. Only applicable in the case of the Indices other than Custom Indices*] [If the Redemption Valuation Date, or Observation Date or an Averaging Date is a Disrupted Day, the Settlement Price will be calculated in accordance with Annex 1] [*insert calculation method.*] (*N.B. Only applicable in the case of Custom Indices*)
	(xvi)	Market Disruption:	Specified Maximum Days of Disruption will be equal to [●]/[eight] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
	(xvii)	[Tender Offer:	[Applicable/Not applicable]]
	(xviii)	Delayed Redemption on the Occurrence of an Extraordinary Event:	[Applicable/Not applicable] [*If applicable*: Principal Protected Termination Amount: [Applicable/Not applicable]]
	(xix)	Listing Change:	[Applicable/Not applicable]
	(xx)	Listing Suspension:	[Applicable/Not applicable]
	(xxi)	Illiquidity:	[Applicable/Not applicable]
	(xxii)	Other terms or special conditions:	[Not applicable]/[*specify*]
51.	Inflation Linked Redemption Amount:		[Applicable/Not applicable]
	(i)	Index/Indices:	[●] [Composite/non Composite]
	(ii)	Cut-Off Date:	[●]/[Not applicable]
	(iii)	Related Bond:	[●]/Fallback Bond
	(iv)	Issuer of Related Bond:	[●]/[Not applicable]
	(v)	Fallback Bond:	[Applicable/Not applicable]
	(vi)	Index Sponsor:	[●]

	(vii)	Related Bond Redemption Event:	[Applicable/Not applicable]
	(viii)	Valuation Date:	[●]
	(ix)	Other terms or special conditions:	[Not applicable]/[*specify*]
52.	Commodity Linked Redemption Amount:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Commodity/Commodities/Commodity Index/Commodity Indices:	[●] [The Sponsor[s] of the Commodity Index/Indices is/are [●]]
	(ii)	Pricing Date(s):	[●]
	(iii)	Initial Pricing Date:	[*specify*]
	(iv)	Final Pricing Date:	[*specify*]
	(v)	Commodity Reference Price:	[●] The Price Source(s) is/are: [●]
	(vi)	Delivery Date:	[●]/[Not Applicable]
	(vii)	Nearby Month:	[●]/[Not Applicable]
	(viii)	Specified Price:	[*specify*]
	(ix)	Exchange(s):	The relevant Exchange[s] [is/are] [●] / [Not Applicable]
	(x)	Specified Maximum Days of Disruption:	[●]/[five] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)*
	(xi)	Disruption Fallback(s):	[As per Commodity Security Condition 1]/[Not applicable]
	(xii)	Weighting:	The Weighting to be applied to each item comprising the Commodity Basket is [●]
	(xiii)	Other terms or special conditions:	[Not applicable]/[*specify*]
	(xiv)	Rolling Futures Contract Securities:	[Yes/No] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
		(a) Futures Rollover [Date/Period]:	[Not applicable]/[*specify*]
53.	Fund Linked Redemption Amount:		[Applicable/Not applicable]
	(i)	Fund/Fund Basket:	[●]

		[The [●] Fund is a Mutual Fund] [The [●] Fund is a Hedge Fund] [The [●] Fund is a Private Equity Fund]
(ii)	Fund Share(s):	[●]
(iii)	Fund Documents:	[As per Conditions]/[●]
(iv)	Fund Business Day:	[All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis]
(v)	Fund Service Provider:	[As per Conditions]/[●]
(vi)	Calculation Date(s):	[As per Conditions]/[●]
(vii)	Initial Calculation Date:	[●]/[Not applicable]
(viii)	Final Calculation Date:	[●]/[Not applicable]
(ix)	Redemption Valuation Date:	[*specify*]
(x)	Hedging Date:	[●]/[Not applicable]
(xi)	AUM Level	[*specify*]/[Not applicable]
(xii)	NAV Trigger Percentage:	[As per Conditions]/[●]
(xiii)	NAV Trigger Period:	[●]
(xiv)	Number of NAV Publication Days:	[●]
(xv)	Basket Trigger Level:	[●]/[As per Conditions]
(xvi)	Termination Amounts:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]
(xvii)	Simple Interest Spread:	[*specify*]/[As per Conditions]
(xviii)	Termination Date:	[*specify*]
(xix)	Weighting:	The Weighting to be applied to each Fund Share comprises the Fund Basket is [●]
(xx)	Protected Amount:	[*specify*]
(xxi)	Additional Extraordinary Fund Event(s):	[*specify*]
(xxii)	Fee:	[*specify*]/[Not applicable]
(xxiii)	Delayed Redemption on the Occurrence of an Extraordinary Fund Event:	[Applicable/Not applicable]

	(xxiv) [Delayed Payment Cut-Off Date:	[*specify*]]
	(xxv) Other terms or special conditions	[Not applicable]/[*specify*]
54.	Credit Linked Notes:	[Applicable/Not applicable]
	(i) Type of Credit Linked Notes	[Single Reference Entity CLN] [Nth-to-Default CLN N: [●] Substitution: [Not Applicable] [Applicable]] [Linear Basket CLN] [Untranched Credit Notes] [Tranched Credit Notes] [Combination Credit Notes: Applicable/Not Applicable] [Tranched Interest Reference Portfolio: Applicable/Not Applicable Untranched Interest Reference Portfolio: Applicable/Not Applicable Tranched Principal Reference Portfolio: Applicable/Not Applicable Untranched Principal Reference Portfolio: Applicable/Not Applicable] [Other]
	Substitution:	[Not Applicable] [Applicable]
	Zero Recovery:	[Applicable/Not Applicable] [*Or insert the following if Combination Credit Notes applies*] [In respect of [Tranched] [Untranched] Interest Reference Portfolio: Applicable/Not Applicable] In respect of [Tranched] [Untranched] Principal Reference Portfolio: Applicable/Not Applicable]
	2014 Definitions:	[Applicable/Not Applicable]
	2003 Definitions (as supplemented by July 2009 Supplement):	[Applicable/Not Applicable]
	(ii) Transaction Type:	[●] [As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]

(iii)	Maturity Date	[●]
(iv)	Calculation Agent responsible for making calculation and determinations pursuant to the Credit Security – Additional Terms and Conditions for Credit Securities:	[●]
(v)	Reference Entity(ies):	[●] [As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
(vi)	Reference Entity Notional Amount	[●][as per the Credit Security Conditions] [As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
(vii)	Reference Obligation(s):	
The obligation identified as follows:		[Applicable/Not Applicable/[●] [As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
Primary Obligor:		[●]
Guarantor:		[●]
Maturity:		[●]
Coupon:		[●]
CUSIP/ISIN:		[●]
Original Issue Amount:		[●]
Standard Reference Obligation:		[The obligation specified as the Reference Obligation above shall be the Original Non-Standard Reference Obligation notwithstanding that such obligation is not an obligation of the Reference Entity, and notwithstanding any contrary provision of the definition of "Original Non-Standard Reference Obligation" (and, for the avoidance of doubt, paragraph (a) of the definition thereof applies).] [*Delete if not applicable or if Reference Obligation above is an obligation of the Reference Entity*] [Applicable/Not Applicable/[●]/[As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
(viii)	Settlement Method:	[Auction Settlement] [Cash Settlement] [Physical Settlement]

		[Unwind Costs: [Not Applicable] [●]] [*Delete if Unwind Costs are applicable*]
(ix)	Fallback Settlement Method	[Cash Settlement] [Physical Settlement]
(x)	Settlement Deferral:	**[**Applicable**] [**Not Applicable**]**
(xi)	Settlement Currency	[●]
(xii)	Merger Event:	[Credit Security Condition 2(c) [Applicable/Not Applicable]] (*If applicable*: [Merger Event Redemption Date: [●]]
(xiii)	LPN Reference Entities	[Applicable/Not Applicable/[●]/[As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]**]**]
(xiv)	Terms relating to Cash Settlement:	[As per the Credit Security Conditions] [Not Applicable] [*Specify variations or additions to Credit Linked Conditions*]
(xv)	Terms relating to Physical Settlement	[As per the Credit Security Conditions] [Not Applicable] [*Specify variations or additions to Credit Linked Conditions*]
(xvi)	Accrual of Interest upon Credit Event:	[As per Credit Security Condition 3(a)(a)(i)] [As per Credit Security Condition 3(a)(a)(ii)] [As per Credit Security Condition 3(a)(b)] [*OR if Part B of Credit Security Conditions applies:* [Part B of Credit Security Conditions: As per Part B Credit Security Condition [3(a)(i)] / [3(a)(ii)]]
(xvii)	Interest:	[●]
(xviii)	Additional Credit Linked Security Disruption Events:	[The following Additional Credit Linked Security Disruption Events apply to the Notes:] [Not Applicable] *(Specify each of the following which applies.)* [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
(xix)	Additional Provisions:	[●] [Change in Standard Terms and Market Conventions: [Not Applicable]] [*Delete if Change in Standard Terms and Market Conventions applies*]] [In respect of [*specify relevant Reference Entity*], [Include

		Accrued Interest] [Exclude Accrued Interest] applicable] [In respect of [*specify relevant Reference Entity*], Trigger Percentage: [●] [As per the Credit Security Conditions]] [*Delete if CoCo Supplement is not applicable*]
(xx)	Part B of Credit Security Conditions:	[Applicable] [Not Applicable] [*If applicable:* Cash Settlement Date / Credit Event Valuation Period End Date /Extended Valuation Period / Grace Period/ Hedge Counterparty / Payment Requirement: [As per the Credit Security Conditions] [*Specify any variations or additions to the Credit Security Conditions*]
(xxi)	Credit Event Backstop Date	[The date that is 60 calendar days prior to the Trade Date] [Issue Date] [Other]
(xxii)	Calculation and Settlement Suspension:	[Applicable] [Not Applicable]
(xxiii)	Seniority Level:	[Senior Level] [Subordinated Level] [●]
(xxiv)	Additional terms relating to Tranched Credit Securities/Untranched Credit Securities/Combination Credit Securities:	[Applicable/Not Applicable] [In respect of Reference Portfolio: Relevant Annex: [●] Index Sponsor: [●] Attachment Point: [●] Exhaustion Point: [●] Any other terms or provisions: [●]] [In respect of Tranched Interest Reference Portfolio: Relevant Annex: [●] Index Sponsor: [●] Attachment Point: [●] Exhaustion Point: [●] Any other terms or provisions: [●]] [In respect of Tranched Principal Reference Portfolio: Relevant Annex: [●] Index Sponsor: [●]

Attachment Point: [●]

Exhaustion Point: [●]

Any other terms or provisions: [●]]

[In respect of Untranched Interest Reference Portfolio:

Relevant Annex: [●]

Index Sponsor: [●]

Any other terms or provisions: [●]]

[In respect of Untranched Principal Reference Portfolio:

Relevant Annex: [●]

Index Sponsor: [●]

Any other terms or provisions: [●]]

55. ETI Linked Redemption Amount: [Applicable/Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) ETI/ETI Basket: [●]

(ii) ETI Interest(s): [*insert type of ETI Interest(s)*]

(iii) ETI Related Party: [As per Conditions]/[*specify*]

(iv) ETI Documents: [As per Conditions][*specify*]

(v) Exchange(s): The relevant Exchange[s] [is/are] [●]. [Not applicable]

(vi) Related Exchange(s): [*specify*]/[All Exchanges]/[Not applicable]

(vii) Scheduled Trading Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]

(*Must match election made for Exchange Business Day*)

(viii) Exchange Business Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]

(*Standard election is All ETI Interest Basis*)

(ix) Redemption Valuation Date: [●]

(x) Calculation Date(s): [As per Conditions]/[*specify*]

(xi) Initial Calculation Date: [●]/[Not applicable]

(xii) Final Calculation Date: [●]/[Not applicable]

(xiii)	Hedging Date:	[●]
(xiv)	Investment/AUM Level:	[As per Conditions][*specify*]
(xv)	Value per ETI Interest/Trading Price Barrier:	[As per Conditions][*specify*]
(xvi)	Number of Value Publication Days:	[[●] calendar days] [[●] Business Days (as defined in Condition 3.12)] [Additional Financial Centre: [*specify*] *(N.B. Only applicable if Number of Value Publication Days is calculated by reference to Business Days)*]
(xvii)	Value Trigger Percentage:	[As per Conditions][*specify*]
(xviii)	Value Trigger Period:	[As per Conditions][*specify*]
(xix)	Basket Trigger Level:	[As per Conditions][*specify*]
(xx)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 3*]
(xxi)	Weighting:	[Not applicable]/[The Weighting to be applied to each ETI comprising the ETI Basket is [●]. Each such Weighting shall be subject to adjustment in the case of ETI Linked Notes]/[*specify*]. (*N.B. Only applicable in relation to Cash Settled Notes relating to an ETI Basket*)
(xxii)	Valuation Time:	[Scheduled Closing Time/Any time [on the relevant Settlement Price Date] /[during the Observation Period].] [The Valuation Time is [●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).
(xxiii)	Maximum Stock Loan Rate:	[Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [●].]
(xxiv)	ETI Interest Correction Period:	[As per Conditions]/[specify]
(xxv)	Termination Amount:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]
(xxvi)	Simple Interest Spread:	[As per Conditions]/[*specify*]
(xxvii)	Termination Date:	[●]
(xxviii)	Protected Amount:	[*specify*] per Specified Denomination
(xxix)	Additional Extraordinary ETI Events:	[*specify*]
(xxx)	Delayed Redemption on the Occurrence of an Extraordinary ETI	[Applicable/Not applicable]

		Event:	
	(xxxi)	Other terms or special conditions:	[Not applicable]/[*specify*]
56.	Foreign Exchange (FX) Rate Linked Redemption Amount:		[Applicable/Not applicable] [●]
	(i)	Relevant Screen Page:	[specify]
	(ii)	The relevant base currency (the "**Base Currency**") is:	[specify]
	(iii)	The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]:	[specify]
	(iv)	Weighting:	[*specify*]
	(v)	Price Source:	[*specify*]
	(vi)	Disruption Event:	Specified Maximum Days of Disruption will be equal to [●]/[five] *(If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)*
	(vii)	Valuation Time:	[*specify*]
	(viii)	Redemption Valuation Date:	[●] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
	(ix)	Delayed Redemption on the Occurrence of an Additional Disruption Event:	[Applicable/Not applicable] [*If applicable*: Principal Protected Termination Amount: [Applicable/Not applicable]]
	(x)	Other terms or special conditions:	[Not applicable]/[*specify*]
57.	Debt Securities:		[Applicable/Not applicable]
	(a)	Debt Instruments:	[*specify*] (*Not applicable if Futures Price Valuation is applicable*)
	(b)	Nominal Amount:	[The relevant nominal amount is [●] and the Relevant Screen Page is [●].][Not applicable] (*Not applicable if Futures Price Valuation is applicable*)
	(c)	Exchange Business Day Centre(s):	[*specify*]

(d)	Valuation Time:	[*specify*]
(e)	Redemption Valuation Date:	[ ]
(f)	Specified Maximum Days of Disruption:	[As defined in Condition 12]/[[*specify*] Scheduled Trading Days.] *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)* (*Not applicable if Futures Price Valuation is applicable*)
(g)	Delayed Redemption on Occurrence of Debt Instrument Redemption Event:	[Applicable/Not applicable] [*If applicable:* Principal Protected Termination Amount: [Applicable/Not applicable]] (*Not applicable if Futures Price Valuation is applicable*)
(h)	Debt Instrument Issuer:	[ ]/[Not applicable] (*Not applicable if Futures Price Valuation is applicable*)
(i)	Debt Instrument Correction Period:	[As per the Conditions]/[ ]/[Not applicable] (*Not applicable if Futures Price Valuation applicable*)
(j)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
(k)	Additional provisions applicable to Futures Price Valuation:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Exchange-traded Contract:	[*specify*]/[*If the Debt Securities are Rolling Futures Contract Securities:* Debt Security Condition 7 applies]
	(ii) Synthetic Debt Instrument:	[*include description of the key terms of the synthetic debt instrument*]
	(iii) Delivery or expiry month:	[*specify*]/[Not applicable] (*Not applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)
	(iv) Period of Exchange-traded Contracts:	[*specify*]/[Not applicable] (*Only applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)

	(v)	Futures or Options Exchange:	[*specify*]
	(vi)	Rolling Futures Contract Securities:	[Yes/No]
	(vii)	Futures Rollover [Date/Period]:	[Not applicable]/[*specify*]
	(viii)	Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract:	[Applicable/Not applicable] [*If applicable*: Principal Protected Termination Amount: [Applicable/Not applicable]]
	(ix)	Daily Settlement Price Correction Period:	[As per the Conditions][*Specify*]
	(x)	Other terms or special conditions:	[Not applicable]/[*specify*]
58.	Early Redemption Amount:		[Calculation Amount x [●] per cent.] [Market Value less Costs]
59.	Provisions applicable to Physical Delivery:[10]		[Applicable/ Not applicable]
	(i)	Entitlement in relation to each Note:	(a) The Entitlement (as defined in the Conditions) in relation to each Note is [●]: (b) [The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*].] (c) [The Entitlement will be [delivered] [Delivered] [*insert details of the method of delivery of the Entitlement*].] (*N.B. Only applicable in relation to Physical Delivery Securities*)
	(ii)	Relevant Asset(s):	[As specified above]/The relevant asset to which the Notes relate [is/are] [●].
	(iii)	Cut-Off Date:	[●]/[As specified in Condition 4(b)]
	(iv)	Settlement Business Day(s):	[*specify*]
	(v)	Delivery Agent:	[Not applicable/*specify*]
	(vi)	Failure to Deliver due to Illiquidity**:**	[Applicable/Not applicable] (*N.B. Only applicable in the case of Physical Delivery Notes - Failure to Deliver due to Illiquidity is applicable to certain*

[10] Not applicable to Commodity Linked Notes or Credit Linked Notes.

			Share or ETI Linked Notes. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Notes)
60.	Variation of Settlement:		
	(i)	Issuer's option to vary settlement:	The Issuer [has/does not have] the option to vary settlement in respect of the Notes.
	(ii)	Variation of Settlement of Physical Delivery Notes:	[Notwithstanding the fact that the Notes are Physical Delivery Notes, the Issuer may make payment of the Final Redemption Amount on the Maturity Date and the provisions of Condition 4(b)(ii)(B) will apply to the Notes.]/[The Issuer will procure delivery of the Entitlement in respect of the Notes and the provisions of Condition 4(b)(ii)(B) will not apply to the Notes.]
61.	CNY Payment Disruption Event:		[Applicable]/[Not applicable] [*If applicable*: [Postponement: [Applicable/Not applicable]] [Payment of Equivalent Amount: [Applicable/Not applicable] Equivalent Amount Settlement Currency: [*specify*] Equivalent Amount Price Source: [*specify*] Equivalent Amount Settlement Valuation Time: [*specify*]/[As per Conditions]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

62.	Form of Notes:		[Certificated Notes] [Uncertificated Notes]
63.	Financial Centre(s) or other special provisions relating to Payment Days for the purposes of Condition 4(a):		[Not applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 42 relates. All relevant Financial Centre(s) (including the location of the relevant agent(s)) should be included other than Target2*)
64.	Details relating to Notes redeemable in instalments: amount of each instalment, date on which each payment is to be made:		[Not applicable/*give details*]
	(i)	[Instalment Amounts:	[●]
	(ii)	Instalment Dates:	[●]]
65.	Redenomination, renominalisation and reconventioning provisions:		[Not applicable/The provisions [in Condition 7] apply]

66.	Calculation Agent:	[BNP Paribas Arbitrage S.N.C.]/[BNP Paribas]/ [*Specify other*]
	Calculation Agent address for the purpose of the Noteholder Account Information Notice:	[*specify*]
67.	*Masse*:	[Applicable]/[Not applicable] [*If applicable, insert below details of Representative and alternate Representative and remuneration, if any*: [Name and address of the Representative: [●] Name and address of the alternate Representative: [●]] [The Representative will receive no remuneration/The Representative will receive a remuneration of [●]].
68.	Governing Law:	[English]/[French] law
69.	Special conditions or other modifications to the Terms and Conditions:	[*specify*]/[Not applicable]

DISTRIBUTION

70.	(i) If syndicated, names [and addresses] of Managers [and underwriting commitments/quotas (material features)] (specifying Lead Manager):	[Not applicable/*give names*]
	(ii) Date of [Subscription Agreement]:	[●]
	(iii) Stabilisation Manager (if any):	[Not applicable/*give name*]
71.	Total commission and concession:	[●] per cent. of the Aggregate Nominal Amount
72.	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D[11]/ TEFRA Not applicable]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. [The information included [in the Annex] (the "[●] **Information**") consists of extracts from or summaries of information that is publicly available in respect of [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.][12]

Signed on behalf of BNP Paribas Arbitrage Issuance B.V.

As Issuer:

By:

[11] Only applicable in respect of Notes which satisfy the criteria set out in Note Condition 1 (*Form, Denomination and Title*).

[12] Include only if such information has been included.

Duly authorised

The Guarantor accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Guarantor (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. [The information included in [the Annex] (the "[●] **Information**") consists of extracts from or summaries of information that is publicly available in respect of [●]. The Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.][13]

Signed on behalf of BNP Paribas

As Guarantor:

By:

Duly authorised

[13] Include only if such information has been included.

PART B– OTHER INFORMATION

1. Listing and Admission to trading

(i) Listing and admission to trading:	[The Notes are unlisted.]/[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted provisionally to trading on SIX Structured Products Exchange Ltd. or SIX Swiss Exchange with effect from [●]. Application for listing on SIX Swiss Exchange will be made by the Issuer (or on its behalf) for the Notes as soon as possible thereafter. The last day of trading is expected to be [●][14].[with effect from [●]]] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading*) [●]

2. Additional information Required for Securities to be listed on SIX Swiss Exchange

Listing/Trading information:	Trading Size and Ratio: [*minimum and maximum trading size and the standard exercise ratio*] First Trading Day: [*first trading day*] Last Trading Day and Time: [last trading day as well as the time of day at which trading shall cease][15] Capital Protection: [Capital protection [*specify*] /no capital protection] Type of quoting: [the Notes are traded or quoted including accrued interest (dirty trading)] [accrued interest is shown separately (clean trading)]]
Information relating to underlyings:	[*insert the information on the underlying instruments required by section 4 of scheme F of the SIX Swiss Exchange and the tax information in relation to a purchase of underlying instruments required by section 3.2.12 of scheme F of the SIX Swiss Exchange, to the extent such information is not already included elsewhere in the Final Terms.]*
Additional information:	Name and address of the representative for purposes of Article 43 of the Listing Rules of the SIX Swiss Exchange: BNP Paribas (Suisse) SA, [Selnaustrasse 16, CH-8022, Zurich,] Switzerland. No Material Adverse Change. Save as disclosed in the Base Prospectus, there has been no material adverse change, nor any event involving a prospective material adverse change in the financial and

[14] Two SIX Swiss Exchange trading days prior to Termination Date.
[15] Two SIX Swiss Exchange trading days prior to Termination Date.

trading position of the Issuer and the Guarantor since [*insert date of the most recently published audited financial statements*].

3. Ratings

[The Notes to be issued [have been]/[are expected to be] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]

[The Notes have not been rated.]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:*

"As defined by Standard & Poor's, an [AA] rating means that [*the Issuer's*][*the Guarantor's*] *capacity to meet its financial commitment under the Notes is very strong."*

"Obligations rated [Aa2] by Moody's are judged to be of high quality and are subject to very low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category."

"As defined by Fitch an [AA-] rating denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments. Such capacity is not significantly vulnerable to foreseeable events."]

EITHER [[*Insert the legal name of the relevant CRA entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). As such [*insert the legal name of the relevant CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

OR [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU CRA entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

OR [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by [*insert the legal name of the relevant EU-registered CRA entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU CRA entity*] is established in the European Union and registered under the CRA Regulation. As such [*insert the legal name of the relevant EU CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets

Authority on its website in accordance with the CRA Regulation. The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

OR [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation[[**EITHER:**] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[**OR:**] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

OR [[*Insert the legal name of the relevant CRA entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and [*insert the legal name of the relevant CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

OR [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU CRA entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU CRA entity*][, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan / Australia / the USA / Canada / Hong Kong / Singapore / Argentina / Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for*

registration] may be used in the EU by the relevant market participants.]

4. [Risk Factors

[*Include any product specific risk factors which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included, consideration should be given as to whether they constitute "significant new factors" and consequently trigger a supplement to the Base Prospectus.*]]

5. [Interests of Natural and Legal Persons Involved in the [Issue/Offer]

[*Need to include a description of any interest, including conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

"Save as discussed [in the "*Potential Conflicts of Interest*" paragraph in the "*Risk Factors*" in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]]

6. Performance of Rates of Exchange/Index/ Share/ Commodity/ Inflation/ Foreign Exchange Rate/ Fund/ Reference Entity/ Entities/ ETI Interest/ Formula and Other Information concerning the Underlying Reference

[*Need to include details of where past and further performance and volatility of the index/formula/commodity/rates/reference entity/fund/other variables can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.*].

[*Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.*]

[*Where the underlying is a security need to include the name of the issuer of the security and the ISIN (International Security Identification Number) or such other security identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket.*]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained*]][does not intend to provide post-issuance information].

7. OPERATIONAL INFORMATION

(i) Relevant Clearing System(s): [SIX SIS Ltd, Olten, Switzerland]

[*N.B. Ensure all relevant entities have been appointed and formalities complied with in accordance with the rules of regulations of the relevant clearing system*]

(ii) Delivery: Delivery [*against/free of*] payment

PART C OTHER APPLICABLE TERMS

[*specify*]

ANNEX – ANNEX FOR CREDIT SECURITIES

[●]

FORM OF FINAL TERMS FOR W&C SECURITIES

FINAL TERMS DATED [●]

[BNP Paribas Arbitrage Issuance B.V.

(incorporated in The Netherlands)
(as Issuer)]

BNP Paribas

(incorporated in France)
(as [Issuer] [Guarantor])

(Note, Warrant and Certificate Programme)

[insert title of Securities]

[BNP Paribas Arbitrage S.N.C.
(as Manager)]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [*date*] [, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other Supplement to the Base Prospectus which may have been published and approved before the issue of any additional amount of Securities] (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provide for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate) which [together] constitute[s] an "issuance programme" for the purposes of the listing rules of SIX Swiss Exchange (the "**SIX Listing Rules**"), as supplemented by the Additional Rules for the Listing of Derivatives (the "**Additional Listing Rules for Derivatives**") or the Additional Rules for the Listing of Bonds (the "**Additional Listing Rules for Bonds**"), as the case may be, (collectively with the SIX Listing Rules, the "**Listing Rules**") (the "**Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the "**Issuer**") and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and any Supplement(s) to the Base Prospectus] [and these Final Terms][1] [is/are] available free of charge during normal business hours from BNP Paribas Securities Services, Paris, Succursale de Zurich. Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6360). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [*original date*] [, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other Supplement to the

[1] Include in respect of issues of Securities that are listed.

Base Prospectus which may have been published and approved before the issue of any additional amount of Securities] (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provide for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate) which are incorporated by reference in the Base Prospectus dated [*current date*] [and any Supplement[s] to the Base Prospectus] and are attached hereto. This document constitutes the Final Terms of the Securities described herein and must be read in conjunction with the Base Prospectus dated [*original date*] [and the Supplement[s] to the Base Prospectus], the Base Prospectus dated [*current date*] [and any Supplement[s] to the Base Prospectus]. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the "**Issuer**") and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus dated [*original date*] [and the Supplement[s] to the Base Prospectus] and the Base Prospectus dated [*current date*] [and any Supplement[s] to the Base Prospectus]. The Base Prospectus is available free of charge during normal business hours from BNP Paribas Securities Services, Paris, Succursale de Zurich. Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6360). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms.

[*The following alternative language applies in respect of issues of Securities where the offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [*date*] [,[the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other Supplement to the Base Prospectus which may have been published and approved (such date of publication and approval, the "**Publication Date**") before the issue of any additional amount of Securities (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provides for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate) (together, the **2015 Base Prospectus**)], notwithstanding the approval of an updated base prospectus which will replace the 2015 Base Prospectus (the "**2016 Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein and (i) prior to the Publication Date, must be read in conjunction with the 2015 Base Prospectus, as supplemented, or (ii) on and after the Publication Date, must be read in conjunction with the 2016 Base Prospectus, as supplemented, save in respect of the Conditions which are extracted from the 2015 Base Prospectus as supplemented, as the case may be. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the "**Issuer**") and the offer of the Securities is only available on the basis of the combination of these Final Terms and either (i) prior to the Publication Date, the 2015 Base Prospectus, as supplemented, or (ii) on or after the Publication Date, the 2016 Base Prospectus, as supplemented, save in respect of the Conditions which are extracted from the 2015 Base Prospectus, as the case may be. The 2015 Base Prospectus, as supplemented, [and these Final Terms][2] are available, and the 2016 Base Prospectus will be available free of charge during normal business hours from BNP Paribas Securities Services, Paris, Succursale de Zurich. Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6330). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms.

[*Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub paragraphs. Italics denote directions for completing the Final Terms. However, such numbering may change where individual paragraphs or sub-paragraphs are removed.*]

[2] Include in respect of issues of Securities that are listed.

References herein to numbered Conditions are to the terms and conditions of the relevant series of Securities and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms in so far as they relate to such series of Securities, save as where otherwise expressly provided.

These Final Terms relate to the series of Securities as set out in "Specific Provisions for each Series" below. References herein to "**Securities**" shall be deemed to be references to the relevant Securities that are the subject of these Final Terms and references to "**Security**" shall be construed accordingly.

The Securities do not constitute collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). Accordingly, holders of the Securities do not benefit from protection under the CISA or supervision by the Swiss Financial Market Supervisory Authority ("**FINMA**"). Further, investors are exposed to the Issuer's and the Guarantor's insolvency risk.

If and to the extent the Securities will be listed on SIX Swiss Exchange, no simplified prospectus in the meaning of Article 5 para. 2 CISA in accordance with Article 4 para. 4 of the Swiss Federal Ordinance on Collective Investment Schemes ("**CISO**") must be prepared.

SPECIFIC PROVISIONS FOR EACH SERIES

SERIES NUMBER	NO. OF SECURITIES ISSUED	NO OF SECURITIES	[NO. OF WARRANTS PER UNIT	ISIN/ [ ]	COMMON CODE	ISSUE PRICE PER [SECURITY/ UNIT]	[CALL/ PUT	[EXERCISE PRICE	[[SCHEDULED]] REDEMPTION DATE	[EXERCISE [PERIOD/ DATE]	[RELEVANT JURISDICTION]	[SHARE AMOUNT/ DEBT SECURITY AMOUNT]	[PARITY
[●]	[●]	[Up to] {●}	[●]	[●]	[●]	[[insert currency] [●]]/[[●]% of the Notional Amount]	[call/ put]	[insert currency] [●]	[●]/[Open End][3]	[●]	[●]	[●]	[●]
[●]	[●]	[Up to]{●}	[●]][4]	[●]	[●]	[[insert currency] [●]]/[[●]% of the Notional Amount]	[call/ put]] [5]	[insert currency] [●]][6]	[●]/[Open End]] [7]	[●]] [8]	[●]] [9]	[●]	[●]]

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1.	Issuer:	[BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas]
2.	[Guarantor:	BNP Paribas]
3.	Trade Date:	[*specify*]
4.	Issue Date [and Interest Commencement Date][10]:	[*specify*]
5.	Consolidation:	The Securities are to be consolidated and form a single series with the [*insert title of relevant series of Securities*] issued on [*insert issue date*]/[Not applicable]

3 Include for Open Ended Securities
4 Include for Warrants if applicable.
5 Include for Warrants.
6 Include for Warrants.
7 Include for Credit Securities and Fund Securities.
8 Include for Warrants.
9 Include for Certificates.
10 In the case of Certificates which bear interest.

6. Type of Securities:

(a) [Warrants/Certificates]

(b) The Securities are [Index Securities/Share Securities/ETI Securities/Debt Securities/Commodity Securities/Inflation Index Securities/Currency Securities/Fund Securities/Futures Securities/Credit Securities/OET Certificates/Hybrid Securities/[*specify other type of Security*]].

[The Warrants are [European/American/(specify other)] Style Warrants.

The Warrants are [Turbo/Quanto/Digital/[Bull/Bear/ Capped] Spread] Call Warrants or [Turbo/Quanto/Digital/ [Bull/Bear/Floored] Spread] Put Warrants/[*specify other*].]

Automatic Exercise [applies/does not apply]. (*N.B. Automatic Exercise may only apply in relation to Cash Settled Warrants*).][11]

[[The Certificates are [Reverse Convertible Certificates/Athena Certificates/Plus Certificates/ [Call/Put] Certificates/Turbo[Call/Put] Certificates/ Turbo Pro [Call/Put] Certificates]/[Open End Certificates]/[Open End Turbo Certificates [and are OET [Call/Put]]/[*specify other*].]

[The provisions of Annex 1 (*Additional Terms and Conditions for Index Securities*) shall apply.] [The provisions of Annex 2 (*Additional Terms and Conditions for Share Securities*) shall apply.] [The provisions of Annex 3 (*Additional Terms and Conditions for ETI Securities*) shall apply.] [The provisions of Annex 4 (*Additional Terms and Conditions for Debt Securities*) shall apply.] [The provisions of Annex 5 (*Additional Terms and Conditions for Commodity Securities*) shall apply.] [The provisions of Annex 6 *(Additional Terms and Conditions for Inflation Index Securities*) shall apply.] [The provisions of Annex 7 (*Additional Terms and Conditions for Currency Securities*) shall apply.] [The provisions of Annex 8 (*Additional Terms and Conditions for Fund Securities*) shall apply.] [The provisions of Annex 1/2/4 (*Additional Terms and Conditions for [Index/Share/Debt] Securities*)) shall apply.] [The provisions of Annex 9 (*Additional Terms and Conditions for Futures Securities*) shall apply.]

[11] Include for Warrants.

[The provisions of Annex 10 (*Additional Terms and Conditions for Credit Securities*) shall apply.] [The provisions of Annex [1/2/3/4/5/7][12] (*Additional Terms and Conditions for [Index/Share/ETI/ Debt/Commodity/Currency] Securities*) and Annex 11 (*Additional Terms and Conditions for OET Certificates*) shall apply.]

7. Form of Securities: [Certificated Securities]/[Uncertificated Securities]

8. Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Condition 1 [is/are] [●].

9. Settlement: Settlement will be by way of [cash payment (Cash Settled Securities)] [and/or] [physical delivery (Physical Delivery Securities)].

10. Variation of Settlement:

(a) Issuer's option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Securities.

(*N.B. If the Issuer does not have the option to vary settlement in respect of the Securities, delete the sub-paragraphs of this paragraph 10*)

(b) Variation of Settlement of Physical Delivery Securities: [Notwithstanding the fact that the Securities are Physical Delivery Securities, the Issuer may make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or on the Redemption Date (in the case of Certificates), and the provisions of Condition 5 will apply to the Securities/The Issuer will procure delivery of the Entitlement in respect of the Securities and the provisions of Condition 5 will not apply to the Securities.]

11. Relevant Asset(s): The relevant asset to which the Securities relate [is/are] [●]. (*N.B. Only applicable in relation to Physical Delivery Securities that are not Credit Securities*)

12. Entitlement: [Applicable/Not applicable]

(a) [The Entitlement (as defined in Condition 1) in relation to each Security is [●].]

(b) [The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*].]

[12] For OET Certificates include relevant Annex and complete relevant section for Index/Share/Commodity/Currency/Debt Securities and include Annex 11 and complete paragraph 32 as appropriate.

		(c) [The Entitlement will be [delivered] [Delivered] [*insert details of the method of delivery of the Entitlement*].] (*N.B. Only applicable in relation to Physical Delivery Securities*)
13.	[Exchange Rate][13]/[Conversion Rate][14]:	The applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in the relevant Annex to the Terms and Conditions) or the Cash Settlement Amount (as defined in Condition 1) is [*insert rate of exchange and details of how and when such rate is to be ascertained*]/[*specify*]/[As specified in the OET Certificate Conditions]/[Not applicable].
14.	Settlement Currency:	The settlement currency for the payment of [the Cash Settlement Amount] (*in the case of Cash Settled Securities*)/[the Disruption Cash Settlement Price] (*in the case of Physical Delivery Securities*) is [●].
15.	Syndication:	The Securities will be distributed on a [non-] syndicated basis. [*if syndicated, specify names of the Managers*]
16.	Minimum Trading Size:	[*specify*]/[Not applicable]
17.	Security Agent:	[*specify*][15]
18.	Calculation Agent:	[BNP Paribas]/[BNP Paribas Arbitrage S.N.C.]/[*specify other*][*Insert address*].
19.	Governing law:	[English/French] law
20.	Special conditions or other modifications to the Terms and Conditions:	[*specify*]/[Not applicable]
21.	Masse provisions[16] (Condition 9.4):	[Applicable]/[Not Applicable] [*If applicable, insert below details of Representative and alternate Representative and remuneration, if any*: [Name and address of the Representative: [●] Name and address of the alternate Representative: [●]] [The Representative will receive no remuneration/The Representative will receive a remuneration of [●]].

[13] Applicable for Securities other than OET Certificates.
[14] Applicable for OET Certificates.
[15] Any local agent shall be specified in Part B of the Final Terms.
[16] Applicable if the Securities are French law-governed.

PRODUCT SPECIFIC PROVISIONS (ALL SECURITIES)

22.	Index Securities:		[Applicable/Not applicable]
	(a)	Index/Basket of Indices/Index Sponsor(s):	[*specify name of Index/Indices*] [*specify name of Index Sponsor(s)*] [The [●] Index is a [Component Security]/[Multi-Exchange] Index.][17] [The [●] Index is a Custom Index][18]
	(b)	Index Currency:	[*specify*]
	(c)	Exchange(s):	[*specify*]
	(d)	Related Exchange(s):	[*specify*]/[All Exchanges]
	(e)	Exchange Business Day:	[Single Index Basis/All Indices Basis/Per Index Basis]
	(f)	Scheduled Trading Day:	[Single Index Basis/All Indices Basis/Per Index Basis] (*Must match election made for Exchange Business Day*)
	(g)	Weighting:	[The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 1]/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Indices*)]
	(h)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from* Annex 1]
	(i)	Disrupted Day:	[If the relevant Settlement Price Date or an Averaging Date, as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*]. (*N.B. Only applicable in the case of the Indices other than Custom Indices*) [If the Valuation Date (in the case of Warrants) or Redemption Valuation Date (in the case of Certificates), or Observation Date or an Averaging Date is a Disrupted Day, the Settlement Price will be calculated in accordance with Annex 1] [insert Calculation *Method.*] (*N.B. Only applicable in the case of Custom Indices*)

[17] Specify each Component Security Index and/or Multi-Exchange Index (if any).

[18] Specify each Custom Index (if any).

(j)	Specified Maximum Days of Disruption:		[As defined in Condition 1]/[[*specify*] Scheduled Trading Days]. *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
(k)	Valuation Time:		[Continuous monitoring [*specify other*] and the relevant time on the relevant Settlement Price Date or Averaging Date, as the case may be, is [Scheduled Closing Time (in the case of Warrants) or the Valuation Time (in the case of Certificates)] each as defined in Condition 1.] [*specify*].] (*N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 1. Not applicable in the case of Custom Indices*). [As per the Conditions]/[[●], being the time specified on the last Valuation Date or an Averaging Date or Observation Date as the case may be, for the calculation of the Settlement Price (*N.B.* O*nly applicable in the case of Custom Indices*).]
(l)	Delayed Redemption on Occurrence of an Index Adjustment Event (in the case of Certificates only):		[Applicable/Not applicable]
(m)	Index Correction Period:		[As per Conditions/*specify*]
(n)	Other terms or special conditions:		[Not applicable/s*pecify*]
(o)	Additional provisions applicable to Custom Indices:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Screen Page:	[*specify*]
	(ii)	Custom Index Business Day:	[All Indices Basis/Per Index Basis/Single Index Basis]
	(iii)	Scheduled Custom Index Business Day:	[All Indices Basis/Per Index Basis/Single Index Basis] (*N.B. Must match election made for Custom Index Business Day*)
	(iv)	Custom Index Correction Period:	[As per Conditions/*specify*]
	(v)	Delayed Redemption on Occurrence of a Custom	[Applicable/Not applicable]

		Index Adjustment Event (in the case of Certificates only):	
	(vi)	Custom Index Disruption Event:	[[Specified Maximum Days of Disruption will be equal to: [●]]/[As per Conditions]] *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty).*
(p)	Additional provisions applicable to Futures Price Valuation:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Exchange-traded Contract:	[*specify*]/[*If the Index Securities are Rolling Futures Contract Securities:* Condition 9.2 applies]
	(ii)	Delivery or expiry month:	[*specify*]/[Not applicable] (*Not applicable in the case of Index Securities that are Rolling Futures Contract Securities*)
	(iii)	Period of Exchange-traded Contracts:	[*specify*]/[Not applicable] (*Only applicable in case of Index Securities that are Futures Rollover Securities*)
	(iv)	Futures or Options Exchange:	[*specify*]
	(v)	Rolling Futures Contract Securities:	[Yes/No]
	(vi)	Futures Rollover [Date/Period]:	[Not applicable]/[s*pecify*]
23.	Share Securities:		[Applicable/Not applicable]
(a)	Share(s)/Share Company/Basket Company/GDR/ADR:		[*insert type of Share(s) and Share Company/Basket Companies*] [*Insert details of GDR/ADR*][19]
(b)	Relative Performance Basket:		[Not applicable/*specify*]
(c)	Share Currency:		[*specify*]
(d)	Exchange(s):		[*specify*]
(e)	Related Exchange(s):		[*specify*]/[All Exchanges]

[19] Specify each GDR or ADR (if any). In the case of Share Securities relating to a GDR/ADR, complete Share Securities Final Terms as applicable for GDR/ADR reference asset(s).

(f)	Exchange Business Day:	[Single Share Basis/All Shares Basis/Per Share Basis]
(g)	Scheduled Trading Day:	[Single Share Basis/All Shares Basis/Per Share Basis] (*Must match election made for Exchange Business Day*)
(h)	Weighting:	[The weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 2]/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Shares*)]
(i)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 2*]. (*N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*)
(j)	Disrupted Day:	If the relevant Settlement Price Date or an Averaging Date, as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
(k)	Specified Maximum Days of Disruption:	[As defined in Condition 1]/[[*specify*]Scheduled Trading Days]. *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
(l)	Valuation Time:	[Continuous monitoring [*specify other*] and the relevant time on the relevant Settlement Price Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition Annex 2.] [*specify*] (*N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in* Annex 2)
(m)	Delayed Redemption on Occurrence of an Extraordinary Event (in the case of Certificates only):	[Not applicable/Applicable]
(n)	Share Correction Period	[As per Conditions/*specify*]
(o)	Dividend Payment:	[Applicable/Not applicable]
(p)	Listing Change:	[Applicable/Not applicable]
(q)	Listing Suspension:	[Applicable/Not applicable]

	(r)	Illiquidity:	[Applicable/Not applicable]
	(s)	Tender Offer:	[Applicable/Not applicable]
	(t)	Other terms or special conditions:	[Not applicable]/[*specify*]
24.	ETI Securities		[Applicable/Not applicable]
	(a)	ETI/ETI Basket:	[*specify*]
	(b)	ETI Interest(s):	[*insert type of ETI Interest(s)*]
	(c)	ETI Related Party:	[As per Conditions]/[*specify*]
	(d)	ETI Documents:	[As per Conditions]/[*specify*]
	(e)	Exchange(s):	[*specify*]/[Not applicable]
	(f)	Related Exchange:	[*specify*]/[All Exchanges]/[Not applicable]
	(g)	Scheduled Trading Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
	(h)	Exchange Business Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
	(i)	Calculation Date(s):	[As per Conditions]/[*specify*]
	(j)	Initial Calculation Date:	[*specify*]/[Not applicable]
	(k)	Final Calculation Date:	[*specify*]/[Not applicable]
	(l)	Hedging Date:	[*specify*]
	(m)	Investment/AUM Level:	[As per Conditions]/[*specify*]
	(n)	Value per ETI Interest Trading Price Barrier:	[As per Conditions]/[*specify*]
	(o)	Number of Value Publication Days:	[[●] calendar days] [[●] Value Business Days] [Value Business Day Centre(s): [*specify*] *(Only applicable if Number of Value Publication Days is calculated by reference to Value Business Days)*]
	(p)	Value Trigger Percentage:	[As per Conditions]/[*specify*]
	(q)	Value Trigger Period:	[As per Conditions]/[*specify*]
	(r)	Basket Trigger Level:	[As per Conditions]/[*specify*]
	(s)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 3*] [Official closing price]/[Value per ETI Interest]

	(t)	Weighting:	The Weighting to be applied to each ETI Interest comprising the ETI Basket is [*specify*]
	(u)	Valuation Time:	[*specify*]
	(v)	Specified Maximum Days of Disruption:	[As per Conditions]/[*specify*] *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
	(w)	Additional Extraordinary ETI Event(s):	[*specify*]
	(x)	Maximum Stock Loan Rate:	[The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [●].]
	(y)	ETI Interest Correction Period:	[*specify*]
	(z)	Termination Amount:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[As per Conditions]/[*specify*] (*N.B. Principal Protected Termination Amount and Non-Principal Protection Termination Amount are applicable to Certificates only*)
	(aa)	Simple Interest Spread (in the case of Certificates only):	[As per Conditions]/[*specify*]
	(bb)	Termination Date:	[*specify*]
	(cc)	Delayed Redemption on Occurrence of an Extraordinary ETI Event (in the case of Certificates only):	[Applicable/Not applicable]
	(dd)	Protected Amount (in the case of Certificates only):	[*specify*]
	(ee)	Other terms or special conditions:	[Not applicable]/[*specify*]
25.	Debt Securities:		[Applicable/Not applicable]
	(a)	Debt Instruments:	[*specify*] [Not applicable] (*Not applicable if Futures Price Valuation applicable*)
	(b)	Nominal Amount:	The relevant nominal amount is [●] and the relevant screen page ("**Relevant Screen Page**") is [●]. [Not applicable] (*Not applicable if Futures Price Valuation applicable*)
	(c)	Exchange Business Day Centre(s):	[*specify*].
	(d)	Valuation Time:	[*specify*]

(e)	Specified Maximum Days of Disruption:	[[As defined in Condition 1]/[*specify*] Scheduled Trading Days.] [Not applicable] (*Not applicable if Futures Price Valuation applicable*) (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption shall be equal to eight*).
(f)	Delayed Redemption on Occurrence of Debt Instrument Redemption Event (in the case of Certificates only):	[Applicable/Not applicable] [*If applicable:* Principal Protected Termination Amount: [Applicable/Not applicable]] (*Not applicable if Futures Price Valuation applicable*)
(g)	Debt Instrument Correction Period:	[As per the Conditions]/[*specify*]/[Not applicable] (*Not applicable if Futures Price Valuation applicable*)
(h)	Debt Instrument Issuer:	[*specify*]/[Not applicable] (*Not applicable if Futures Price Valuation applicable*)
(i)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
(j)	Additional provisions applicable to Futures Price Valuation:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Exchange-traded Contract:	[*Specify*]/[*If the Debt Securities are Rolling Futures Contract Securities:* Debt Security Condition 7 applies]
	(ii) Synthetic Debt Instrument:	[*include description of the key terms of the synthetic debt instrument*]
	(iii) Delivery or expiry month:	[*Specify*]/[Not applicable] (*Not applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)
	(iv) Period of Exchange-traded Contracts:	[*Specify*]/[Not applicable] (*Only applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)
	(v) Futures or Options Exchange:	[*Specify*]
	(vi) Rolling Futures Contract Securities:	[Yes/No]

	(vii) Futures Rollover [Date/Period]:	[Not applicable]/[*Specify*]
	(viii) Delayed redemption on Non- Commencement or Discontinuance of an Exchange-traded Contract:	[Applicable/Not applicable] [*If applicable:* Principal Protected Termination Amount: [Applicable/Not applicable]]
	(ix) Daily Settlement Price Correction Period:	[As per the Conditions][*Specify*]
	(k) Other terms or special conditions:	[Not applicable]/[*specify*]
26.	Commodity Securities:	[Applicable/Not applicable]
	(a) Commodity/Commodities/ Commodity Index/Commodity Indices:	[*specify Commodity/Commodities/Commodity Index/Commodity Indices*] [The Sponsor[s] of the Commodity [Index/Indices] [is/are] [●]]
	(b) Pricing Date(s):	[*specify*]
	(c) Initial Pricing Date:	[*specify*]
	(d) Final Pricing Date:	[*specify*]
	(e) Commodity Reference Price:	[*specify*] The Price Source is/are [●][20]
	(f) Delivery Date:	[*specify*]/[Not applicable]
	(g) Nearby Month:	[*specify*]/[Not applicable]
	(h) Specified Price:	[*specify*]/[Not applicable]
	(i) Exchange:	[*specify*]/[Not applicable]
	(j) Disruption Fallback(s):	[*specify*]/[As per Conditions]
	(k) Valuation Time:	[Continuous monitoring [*specify other*] and the relevant time on [*insert relevant date(s)*].]/[*specify*]
	(l) Specified Maximum Days of Disruption:	[*specify*] [[●] Commodity Business Days][21]/[As per Conditions] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption shall be equal to five*).

[20] Delete if using automated Commodity Reference Prices

[21] Only applicable in respect of Commodity Securities linked to a single Commodity.

	(m)	Weighting:	The Weighting to be applied to each item comprising the Commodity Basket is [*specify*]
	(n)	Rolling Futures Contract Securities:	[Yes/No] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
		Futures Rollover [Date/Period]:	[Not applicable]/[*specify*]
	(o)	Other terms or special conditions:	[Not applicable]/[*specify*]
27.	Inflation Index Securities:		[Applicable/Not applicable]
	(a)	Inflation Index/Inflation Indices/Inflation Index Sponsor:	[*specify name of inflation index/indices*] [*specify name of inflation index sponsor(s)*]
	(b)	Related Bond:	[Applicable/Not applicable]
	(c)	Issuer of Related Bond:	[Applicable/Not applicable] [*If applicable, specify*]
	(d)	Fallback Bond:	[Applicable/Not applicable]
	(e)	Related Bond Redemption Event:	[Applicable/Not applicable] [*If applicable, specify*]
	(f)	Substitute Inflation Index Level:	[As determined in accordance with Annex 6] [*specify*].
	(g)	Cut-off Date:	In respect of a [Valuation Date], the day that is [*specify*] Business Days prior to such [Valuation Date].
	(h)	Valuation Date:	[*specify*]
	(i)	Other terms or special conditions:	[Not applicable]/[*specify*]
28.	Currency Securities:		[Applicable/Not applicable]
	(a)	Relevant Screen Page:	[*specify*]
	(b)	The relevant base currency (the "**Base Currency**") is:	[*specify*]
	(c)	The relevant subject [currency/currencies] ([the]/[each a] "**Subject Currency**") [is/are]:	[*specify*]
	(d)	Weighting:	[*specify*]
	(e)	Price Source:	[*specify*]
	(f)	Specified Maximum Days of Disruption:	[[*specify*]/[five] Scheduled Trading Days] *(If no Specified Maximum Days of Disruption are*

			stated, Specified Maximum Days of Disruption will be equal to five)
	(g)	Strike Date:	[*specify*] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(h)	Averaging Date(s):	[*specify*] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(i)	Observation Dates:	[*specify*] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(j)	Settlement Price:	[*specify*]
	(k)	Valuation Time:	[*specify*]
	(l)	Valuation Date (in the case of Warrants)/Redemption Valuation Date (in the case of Certificates only):	[*specify*] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(m)	Delayed Redemption on Occurrence of a Disruption Event (in the case of Certificates only):	[Applicable/Not applicable]
	(n)	Other terms or special conditions:	[Not applicable]/[*specify*]
29.	Fund Securities:		[Applicable/Not applicable]
	(a)	Fund/Fund Basket:	[*specify*] [The [●] Fund is a Mutual Fund] [The [●] Fund is a Hedge Fund] [The [●] Fund is a Private Equity Fund]
	(b)	Fund Share(s):	[*specify*]
	(c)	Fund Documents:	[As per Conditions]/[*specify*]
	(d)	Fund Business Day:	[All Fund Share Basis/Per Fund Share Basis/Single Fund Share Basis]
	(e)	Fund Service Provider:	[As per Conditions]/[*specify*]

	(f)	Calculation Date(s):	[As per Conditions]/[*specify*]
	(g)	Initial Calculation Date:	[As per Conditions]/[*specify*]
	(h)	Final Calculation Date:	[*specify*]
	(i)	Hedging Date:	[*specify*]
	(j)	AUM Level:	[As per Conditions]/[*specify*]
	(k)	NAV Trigger Percentage:	[As per Conditions]/[*specify*]
	(l)	NAV Trigger Period:	[*specify*]
	(m)	Number of NAV Publication Days:	[As per Conditions]/[*specify*]
	(n)	Basket Trigger Level:	[As per Conditions]/[*specify*]
	(o)	Additional Extraordinary Fund Event(s):	[*specify*]
	(p)	Fee:	[*specify*]/[Not applicable]
	(q)	Termination Amount:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[As per Conditions]/[*specify*] (*N.B. Principal Protected Termination Amount and Non-Principal Protection Termination Amount are applicable to Certificates only*)
	(r)	Simple Interest Spread (in the case of Certificates only):	[As per Conditions]/[*specify*]
	(s)	Termination Date:	[*specify*]
	(t)	Delayed Redemption on Occurrence of an Extraordinary Fund Event (in the case of Certificates only):	[Applicable/Not applicable]
	(u)	Delayed Payment Cut-off Date:	[As per Conditions]/[*specify*]
	(v)	[Weighting:	The Weighting to be applied to each Fund Share comprising the Fund Basket is [*specify*]]
	(w)	Protected Amount (in the case of Certificates only):	[*specify*] per Security
	(x)	Other terms or special conditions:	[Not applicable]/[*specify*]
30.	Futures Securities:		[Applicable/Not applicable]
	(a)	Future(s):	[*insert type of Future(s)*]
	(b)	Exchange(s):	[*specify*]

	(c)	Exchange Business Day:	[Single Future Basis/All Futures Basis/Per Futures Basis]
	(d)	Scheduled Trading Day:	[Single Future Basis/All Futures Basis/Per Futures Basis] (*Must match election made for Exchange Business Day*)
	(e)	Weighting:	[The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 9]/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket*)]
	(f)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 9*]. (*N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*)
	(g)	Disrupted Day:	If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 1), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
	(h)	Specified Maximum Days of Disruption:	[As defined in Condition 1]/[[*specify*] Scheduled Trading Days]. *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
	(i)	Valuation Time:	[Continuous monitoring [*specify other*] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 1.] [*specify*] (*N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition* 1)]
	(j)	Futures Correction Period:	[As per Conditions/*specify*]
	(k)	Delayed Redemption on Occurrence of a Futures Adjustment Event (in the case of Certificates only):	[Applicable/Not applicable]
	(l)	Other terms or special conditions:	[Not applicable]/[*specify*]
31.	Credit Securities:		[Applicable/Not applicable] [Credit Warrant/Credit Certificate]

[If Credit Warrant, Notional Amount per Credit Warrant = [currency] [amount]]

[Part A]/[Part B] of the Credit Security Conditions Shall apply.

(a) Type of Security: [Single Reference Entity Credit Certificate]/[Single Reference Entity Credit Warrant]

[Nth-to-Default Credit Certificate

N: [●]

Substitution: [Not Applicable] [Applicable]]

[Linear Basket Credit Certificate]

[Untranched Credit Certificates]

[Tranched Credit Certificates]

[Combination Credit Certificates: Applicable/Not Applicable]

[Tranched Interest Reference Portfolio: Applicable/Not Applicable

Untranched Interest Reference Portfolio: Applicable/Not Applicable

Tranched Principal Reference Portfolio: Applicable/Not Applicable

Untranched Principal Reference Portfolio: Applicable/Not Applicable]

[Nth-to-Default Credit Warrant

N: [●]

Substitution: [Not Applicable/Applicable]]

[Linear Basket Credit Warrant]

[*Other*]

Zero Recovery: [Applicable/Not Applicable]

[*Or insert the following if Combination Credit Certificates applies*]

[In respect of [Tranched] [Untranched] Interest Reference Portfolio: Applicable/Not Applicable]

In respect of [Tranched] [Untranched] Principal

		Reference Portfolio: Applicable/Not Applicable]
2014 Definitions:		[Applicable/Not Applicable]
2003 Definitions (as supplemented by July 2009 Supplement):		[Applicable/Not Applicable]
(b)	Transaction Type/Expiration Date:	[●] [As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
(c)	Redemption Date:	[●]
(d)	Party responsible for making calculations and determinations pursuant to the Credit Security Conditions (if no Calculation Agent):	[●]
(e)	Reference Entity:	[●] [As specified in the [[Annex (Annex for Credit Securities)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
(f)	Reference Entity Notional Amount:	[●]/[As per the Credit Security Conditions] [●] [As per the Credit Security Conditions] [As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
(g)	Reference Obligation(s):	
	The obligation identified as follows (the "**Underlying Bond**"):	[Applicable/Not Applicable/[●]/[As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
	Primary Obligor:	[●]
	Guarantor:	[●]
	Maturity:	[●]
	Coupon:	[●]
	ISIN:	[●]
	Original Issue Amount:	[●]
		[The obligation specified as the Reference Obligation above shall be the Original Non-Standard Reference Obligation notwithstanding that such obligation is not an obligation of the Reference Entity, and notwithstanding any contrary provision of the definition of "Original Non-Standard Reference

		Obligation" (and, for the avoidance of doubt, paragraph (a) of the definition thereof applies).] [*Delete if not applicable or if Reference Obligation above is an obligation of the Reference Entity*]
	Standard Reference Obligation:	[Applicable/Not Applicable/[●]/[As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]
(h)	Settlement Method:	[Auction Settlement] [Physical Settlement] [Cash Settlement] [Unwind Costs: [Not Applicable] [●]] [*Delete if Unwind Costs are applicable*]
(i)	Fallback Settlement Method:	[Physical Settlement] [Cash Settlement]
(j)	Settlement Currency:	[●] [As per the Credit Security Conditions]
(k)	Settlement Currency:	[●] [As per the Credit Security Conditions]
(l)	Merger Event:	[Applicable] [Not Applicable] (*If Applicable*): [Merger Event Redemption Date: [●]]
(m)	LPN Reference Entities:	[Applicable] [Not Applicable]/[●]/[As specified in the [[Annex (*Annex for Credit Securities*)] [●] to the Final Terms] [Relevant Annex in respect of the relevant Reference Portfolio]]]
(n)	Terms relating to Cash Settlement:	[As per the Credit Security Conditions] [Not Applicable] [Specify variations or additions to Credit Security Conditions]
(o)	Terms relating to Physical Settlement:	[As per the Credit Security Conditions] [Not Applicable] [Specify variations or additions to Credit Security Conditions]
(p)	Accrual of Interest upon Credit Event:	[As per Credit Security Condition 3(a)(a)(i)] [As per Credit Security Condition 3(a)(a)(ii)]] [As per Credit Security Condition 3(a)(b)] [*OR if Part B of Credit Security Conditions applies:* [Part B of Credit Security Conditions: As per Part B Credit Security Condition [3(a)(i)] / [3(a)(ii)]]
(q)	Additional provisions:	[●] [Not Applicable] [Change in Standard Terms and Market Conventions: [Not Applicable]] [*Delete if Change in Standard*

		Terms and Market Conventions applies]]
		[In respect of [*specify relevant Reference Entity*], [Include Accrued Interest] [Exclude Accrued Interest] applicable]
		[In respect of [*specify relevant Reference Entity*], Trigger Percentage: [●] [As per the Credit Security Conditions]] [*Delete if CoCo Supplement is not applicable*]
		[●]
(r)	Interest:	[●]
(s)	Additional Credit Linked Security Disruption Events:	[The following Additional Credit Linked Security Disruption Events apply to the Securities:][Not Applicable]
		(*Specify each of the following of which applies*)
		[Change in Law]
		[Hedging Disruption]
		[Increased Cost of Hedging]
(t)	Part B of Credit Security Conditions:	[Applicable] [Not Applicable]
		[*if applicable:*
		Cash Settlement Date / Credit Event Valuation Period End Date / Extended Valuation Period / Grace Period / Hedge Counterparty / Payment Requirement:
		[As per the Credit Security Conditions] [*Specify any variations or additions to the Credit Security Conditions*]]
(u)	Credit Event Backstop Date	[The date that is 60 calendar days prior to the Trade Date] [Issue Date] [Other]
(v)	Calculation and Settlement Suspension:	[Applicable] [Not Applicable]
(w)	Seniority Level	[Senior Level][Subordinated Level][●]
(x)	Additional terms relating to Tranched Credit Securities/Untranched Credit Securities/Combination Credit Securities:	[Applicable/Not Applicable]
		[In respect of Reference Portfolio:
		Relevant Annex: [●]
		Index Sponsor: [●]

Attachment Point: [●]

Exhaustion Point: [●]

Any other terms or provisions: [●]]

[In respect of Tranched Interest Reference Portfolio:

Relevant Annex: [●]

Index Sponsor: [●]

Attachment Point: [●]

Exhaustion Point: [●]

Any other terms or provisions: [●]]

[In respect of Tranched Principal Reference Portfolio:

Relevant Annex: [●]

Index Sponsor: [●]

Attachment Point: [●]

Exhaustion Point: [●]

Any other terms or provisions: [●]]

[In respect of Untranched Interest Reference Portfolio:

Relevant Annex: [●]

Index Sponsor: [●]

Any other terms or provisions: [●]]

[In respect of Untranched Principal Reference Portfolio:

Relevant Annex: [●]

Index Sponsor: [●]

Any other terms or provisions: [●]]

32. OET Certificates: [Applicable/Not applicable]

(a) Final Price: [As per OET Certificate Conditions]/The Final Price will be calculated [*insert calculation method if different from the OET Certificate Conditions*]]

(b) Valuation Date: [As per OET Certificate Conditions]/[*specify*]

(c) Exercise Price: [*specify*]

(d)	Capitalised Exercise Price:		[As per OET Certificate Conditions]/[*specify*] OET Website(s): [www.bnpparibasmarkets.ch [or any other website specified in the applicable Final Terms]]/[specify] Local Business Day Centre(s): [*specify*]
(e)	Capitalised Exercise Price Rounding Rule:		[upwards/downwards] [●] digits
(f)	Dividend Percentage:		[*specify*]/[Not applicable] (*N.B. Not applicable in respect of Commodity OET Certificates, Currency OET Certificates or Futures OET Certificates*)
(g)	Financing Rate:		[*specify rate*] [+/-] [*specify margin*]
	(i)	Interbank Rate 1 Screen Page:	[*specify*]
	(ii)	Interbank Rate 1 Specified Time:	[*specify*][As per OET Certificate Conditions]
	(iii)	Interbank Rate 2 Screen Page:	[*specify*]
	(iv)	Interbank Rate 2 Specified Time:	[*specify*][As per OET Certificate Conditions]
	(v)	Financing Rate Percentage:	[+/-][*specify*]
	(vi)	Financing Rate Range:	[*specify*]
(h)	Automatic Early Redemption:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Automatic Early Redemption Amount:	[*specify*]/[As per Conditions]
	(ii)	Automatic Early Redemption Date:	[●] Business Days following the Valuation Date.
	(iii)	Observation Price:	[Official level]/[Opening price]/[Closing price]/[Purchase price]/[Sale price]/[Traded price]/[Bid price]/[Asked price]/[Last price]/[*specify*]
	(iv)	Observation Time(s):	[At any time during the opening hours of the

Exchange]/[*specify*]

(v) Security Threshold: [As per OET Certificate Conditions]/[*specify*]

The Security Threshold in respect of a Relevant Business Day will be published as soon as practicable after its determination on the OET Website(s), as set out in § 32(d)

(vi) Security Threshold Rounding Rule: [upwards/downwards] [●] digits

(vii) Security Percentage: [*specify*]

(viii) Minimum Security Percentage: [*specify*]/[Not applicable]

(ix) Maximum Security Percentage: [*specify*]/[Not applicable]

(x) Reset Date: [As per OET Certificate Conditions]/[*specify*]]

(i) Commencement Date: [As per OET Certificate Conditions]/[*specify*]

(j) Other provisions: [*specify*]/[Not applicable]

33. Additional Disruption Events: [Applicable/Not applicable]/[Change in Law/Hedging Disruption] does not apply to the Securities]

34. Optional Additional Disruption Events: (a) The following Optional Additional Disruption Events apply to the Securities:

(*Specify each of the following which applies. N.B. Optional Additional Disruption Events are applicable to certain Index Securities, Share Securities, ETI Securities and Commodity Securities. Careful consideration should be given to whether Optional Additional Disruption Events would apply for Debt Securities, Currency Securities and Fund Securities and, if so, the relevant definitions will require amendment.*)

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

(*N.B. Only applicable in the case of Share Securities*)

[Cancellation Event]

(*N.B. Only applicable in the case of Debt*

Securities)

[Loss of Stock Borrow]

[[Stop-Loss Event]

[Stop-Loss Event Percentage: [5] per cent.]]

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

[Failure to Deliver due to Illiquidity]

(b) [The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant Share/Security*] is [●].

(*N.B. Only applicable if Loss of Stock Borrow is applicable*)]

[The Initial Stock Loan rate in respect of [*specify in relation to each relevant Share/Security*] is [●].

(*N.B. Only applicable if Increased Cost of Stock Borrow is applicable*)]

(c) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event (in the case of Certificates): [Applicable/Not applicable]

35. Knock-in Event[22]: [Applicable/Not applicable]

[*If applicable*:

[*specify*]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(a) Level: [*Specify*]/[As per Conditions]

(b) Knock-in Level/Knock-in Range Level: [*specify*]/[[From and including/From but excluding][*specify*][to and including/to but excluding][*specify*]]

(c) Knock-in Period Beginning Date: [*specify*]

[22] Only applicable in relation to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities, Debt Securities and Futures Securities.

	(d)	Knock-in Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(e)	Knock-in Determination Period:	[*specify*]/[See definition in Condition 16]
	(f)	Knock-in Determination Day(s):	[*specify*]/[Each Scheduled Trading Day in the Knock-in Determination Period]/[Each Scheduled Custom Index Business Day in the Knock-in Determination Period]/[Each Commodity Business Day in the Knock-in Determination Period]
	(g)	Knock-in Period Ending Date:	[*specify*]
	(h)	Knock-in Period Ending Date Day Convention:	[Applicable/Not applicable]
	(i)	Knock-in Valuation Time:	[*specify*/See definition in Condition 16]/[Valuation Time]/[Any time on a Knock-in Determination Day]
	(j)	Knock-in Observation Price Source:	[*specify*]
	(k)	Disruption Consequences:	[Applicable/Not applicable]
36.	Knock-out Event[23]:		[Applicable/Not applicable] [*If applicable*: [*specify*]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Level:	[*Specify*]/[As per Conditions]
	(b)	Knock-out Level /Knock-out Range Level:	[*specify*]
	(c)	Knock-out Period Beginning Date:	[*specify*]
	(d)	Knock-out Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(e)	Knock-out Determination Period:	[*specify*]/[See definition in Condition 16]
	(f)	Knock-out Determination Day(s):	[*specify*]/[Each Scheduled Trading Day in the Knock-out Determination Period]/[Each Scheduled Custom Index Business Day in the Knock-out Determination Period]/[Each Commodity Business Day in the Knock-out Determination Period]

[23] Only applicable in relation to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities, Debt Securities and Futures Securities.

(g)	Knock-out Period Ending Date:	[*specify*]
(h)	Knock-out Period Ending Date Day Convention:	[Not applicable/Applicable]
(i)	Knock-out Valuation Time:	[*specify*]/[See definition in Condition 16] [Any time on a Knock-out Determination Day]/[Valuation Time]
(j)	Knock-out Observation Price Source:	[*specify*]
(k)	Disruption Consequences:	[Applicable/Not applicable]

PROVISIONS RELATING TO WARRANTS

37.	Provisions relating to Warrants:	[Applicable][Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	Units:	Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out in "Specific Provisions for each Series" above. *(N.B. This is in addition to any requirements relating to "Minimum Exercise Number" or "Maximum Exercise Number" as set out"" below).*
(b)	Minimum Exercise Number:	The minimum number of Warrants that may be exercised (including automatic exercise) on any day by any Holder is [●] [and Warrants may only be exercised (including automatic exercise) in integral multiples of [●] Warrants in excess thereof].
(c)	Maximum Exercise Number:	The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is [●]. *(N.B. not applicable for European Style Warrants)*
(d)	Exercise Price(s):	The exercise price(s) per [Warrant/Unit] (which may be subject to adjustment in accordance with Annex 2 in the case of Share Securities and Annex 1 in the case of Index Securities and Annex 6 in the case of Commodity Securities) is set out in "Specific Provisions for each Series" above. *(N.B. This should take into account any relevant Weighting and, in the case of an Index Security, must be expressed as a monetary value).*
(e)	Exercise Date:	The exercise date of the Warrants is set out in "Specific Provisions for each Series" above, provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding

		Exercise Business Day. *(N.B. Only applicable in relation to European Style Warrants).*
(f)	Exercise Period:	The exercise period in respect of the Warrants is set out in "Specific Provisions for each Series" above, [inclusive of the dates specified] [, or if either day specified is not an Exercise Business Day, the immediately succeeding Exercise Business Day]. *(N.B. Only applicable in relation to certain American Style Warrants).*
(g)	Valuation Date:	[As defined in Condition 20]/[The Valuation Date shall be the Actual Exercise Date of the relevant Warrant, subject to adjustments in accordance with Condition 20]/[*specify*]. (*N.B. specify if different from the definition in Condition 20.*) [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Securities*)
(h)	Strike Date:	[*specify*] (*N.B. Only relevant for certain Index, Share and Currency Securities*) [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Securities*)
(i)	Averaging:	Averaging [applies/does not apply] to the Warrants. [The Averaging Dates are [*specify*].] (*Not applicable to Inflation Index Securities*) [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Securities*) [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Condition 20) will apply.] (*N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities)*] [In the event of Modified Postponement applying, the Averaging Date will be determined [*specify relevant provisions*] (*N.B. Only applicable in relation to Debt Securities, Currency Securities or Fund Securities*).] [In the event that an Averaging Date is a Disrupted

		Day, the provisions of Annex 1 will apply] (*N.B. Only applicable in the case of Index Securities relating to a Custom Index*)
(j)	Observation Dates:	[*specify*]/[Not applicable] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Securities*) [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (*N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities*) [In the event of Modified Postponement applying, the Observation Date will be determined] [specify relevant provisions] (*N.B. Only applicable in relation to Debt Securities, Currency Securities or Fund Securities*).] [In the event that an Observation Date is a Disrupted Day, the provisions of Annex 1 will apply] (*N.B. Only applicable in the case of Index Securities relating to a Custom Index*)
(k)	Observation Period:	[*specify*]
(l)	Cash Settlement Amount:	A Holder, upon due exercise, will receive from the Issuer on the Settlement Date, in respect of each Warrant, a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to: [*insert formula*] [*insert definitions*] (*N.B. Specify if provisions of Condition 5 not appropriate*)
(m)	Settlement Date:	[*specify*] (*N.B. Applicable for Physical Delivery Warrants, Inflation Index Warrants and Commodity Warrants. Only applicable for Cash Settled Warrants (other than Inflation Index Warrants or Commodity Warrants) if Settlement Date is different from the definition in Condition 20*) ["**Settlement Business Day**" for the purposes of Condition 5 means [*specify*]. (*N.B. Only applicable in the case of Physical Delivery Warrants*)]

PROVISIONS RELATING TO CERTIFICATES

38.	Provisions relating to Certificates:		[Applicable][Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Notional Amount of each Certificate:	[[*currency*][*amount*]/[Not applicable]].
	(b)	Partly Paid Certificates:	The Certificates [are/are not] Partly Paid Certificates. [*specify details of the amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Certificates and interest due on late payment*] (*N.B. A new form of Global Certificate may be required for Partly Paid Certificates*)
	(c)	Interest:	[Applicable/Not Applicable]/[*specify*]
	(d)	Accrual to Redemption:	[Applicable/Not Applicable] [If Accrual to Redemption is Not Applicable: Accrual to Preceding IPED: [Applicable/Not Applicable] [*insert in the case of Credit Securities where Accrual to Redemption is Not Applicable*]]
	(e)	Fixed Rate Provisions:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
		(i) Fixed Rate[(s)] of Interest ([including/excluding] on overdue amounts after Redemption Date or date set for early redemption):	[*specify*] per cent. [per annum] [payable [annually/semi-annually/quarterly/monthly] in arrear].
		(ii) Interest Period End Date(s):	[*specify*] in each year.
		(iii) Business Day Convention for Interest Period End Date(s):	[Following/Modified Following/Preceding/None/Not applicable]
		(iv) Interest Payment Date(s):	[*specify*] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted.]

	(v)	Business Day Convention for Interest Payment Date(s):	[Following/Modified Following/Preceding/None/Not applicable] (*If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention*)
	(vi)	Fixed Coupon Amount[(s)]:	[*specify*] per Certificate
	(vii)	Broken Amount[(s)]:	[Applicable/Not applicable]
	(viii)	Day Count Fraction:	[*specify*] [30/360/Actual/Actual (-[ICMA]/-[ISDA])/Actual/365([Fixed/Sterling])/Actual/360/360/ 360/30E/360/ [*other*]
	(ix)	Determination Dates:	[*specify*] in each year [*insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon.*] (*N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	(x)	Other terms relating to the method of calculating interest for Fixed Rate Certificates:	[Not applicable/*give details*]
(f)	Floating Rate Provisions		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[*specify*]
	(ii)	Interest Period End Date(s):	[*specify*]
	(iii)	Business Day Convention for Interest Period End Date(s):	[Following/Modified Following/Preceding/FRN/None /Not applicable]
	(iv)	Interest Payment Date(s):	[*specify*]
	(v)	Business Day Convention for Interest Payment Date(s):	[Following/Modified Following/Preceding/FRN/None /Not applicable] (*If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest*

			Payment Date(s) must be subject to the same Business Day Convention)
(vi)	Manner in which Rate of Interest and Interest Amount to be determined:		[Screen Rate Determination/ISDA Determination/ FBF Determination]/other (*give details*)]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):		[*specify*]
(viii)	Screen Rate Determination:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(A)	Reference Rate:	[*specify*] (*Either LIBOR, EURIBOR or other, although additional information is required if other – [including fallback provisions]*)
	(B)	Interest Determination Date(s):	[*specify*] (*Second London business day prior to the start of each Interest Period if LIBOR and second TARGET2 day prior to the start of each Interest Period if EURIBOR*)
	(C)	Specified Time:	[*specify*] (*which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR*)
	(D)	Relevant Screen Page:	[*specify*] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(ix)	ISDA Determination:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(A)	Floating Rate Option:	[*specify*]
	(B)	Designated Maturity:	[*specify*]

		(C) Reset Date:	[*specify*]
	(x)	FBF Determination	[Applicable/Not applicable] [*If applicable*: [*specify relevant terms*]]
	(xi)	Margin(s):	[+/-][*specify*] per cent. per annum
	(xii)	Minimum Interest Rate:	[*specify*] per cent. per annum
	(xiii)	Maximum Interest Rate:	[*specify*] per cent. per annum
	(xiv)	Day Count Fraction:	[*specify*]/[unadjusted]
	(xv)	Fallback provisions, day count fraction, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Certificates if different from those set out in the Conditions:	[*specify*]
(g)	Linked Interest Certificates		[Applicable – see [Index / Share / ETI / Debt / Commodity / Inflation Index / Currency / Fund / Futures] Linked Interest Certificates below/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[*specify*]
	(ii)	Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable:	[*specify*]
	(iii)	Interest Period(s):	[*specify*]
	(iv)	Interest Period End Date(s):	[*specify*]
	(v)	Business Day Convention	[Following/Modified Following/Preceding/FRN/None/

		for Interest Period End Date(s):	Not applicable]
	(vi)	Interest Payment Date(s):	[*specify*]
	(vii)	Business Day Convention for Interest Payment Date(s):	[Following/Modified Following/Preceding/FRN/None/ Not applicable] (*If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention*)
	(viii)	Day Count Fraction:	[*specify*]
(h)	Index Linked Interest Certificates:		[Applicable/Not applicable]
	(i)	Index/Basket of Indices/Index Sponsor(s):	[*specify name of Index/Indices*] [*specify name of Index Sponsor(s)*] [The [●] Index is a [Component Security]/[Multi-Exchange] Index][24] [The [●] Index is a Custom Index][25]
	(ii)	Formula:	[*specify*]
	(iii)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [●].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] [the provisions of Annex 1] will apply.]
	(iv)	Interest Valuation Time:	[*specify*]
	(v)	Interest Valuation Date(s):	[*specify*]
	(vi)	Index Correction Period	[As per Conditions/*specify*]
	(vii)	Observation Dates:	[*specify*] [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] [the provisions of Annex 1] will apply.]
	(viii)	Observation Period:	[*specify*]

[24] Specify each Component Security Index and/or Multi-Exchange Index (if any).

[25] Specify each Custom Index (if any).

(ix)	Specified Maximum Days of Disruption:		[[As defined in Condition 1]/[*specify*] [Scheduled Trading Days]] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption shall be equal to eight*).
(x)	Exchange(s):		[*specify*]
(xi)	Related Exchange(s):		[*specify*]/[All Exchanges]
(xii)	Exchange Business Day:		[Single Index Basis/All Indices Basis/Per Index Basis]
(xiii)	Scheduled Trading Day:		[Single Index Basis/All Indices Basis/Per Index Basis] (*Must match election made for Exchange Business Day*)
(xiv)	Weighting:		[The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 1 [*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Indices*)/Not applicable]
(xv)	Settlement Price:		The Settlement Price will be calculated [*insert calculation method if different from* Annex 1]
(xvi)	Other terms or special conditions:		[Not applicable]/[*specify*]
(xvii)	Additional provisions applicable to Custom Indices:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(A)	Screen Page:	[●]
	(B)	Disrupted Day:	If an Interest Valuation Date, Observation Date or Averaging Date is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*]
	(C)	Strike Date:	[●]
	(D)	Strike Price:	The Strike Price will be [calculated as per Conditions]/[●] [*insert calculation method*]
	(E)	Custom Index Business Day:	[(All Indices Basis)/(Per Index Basis)(Single Index Basis)]
	(F)	Scheduled Custom Index Business Day:	[(All Indices Basis)/(Per Index Basis)(Single Index Basis)]

(*must match election made for Custom Index Business Day*)

(G) Valuation Time: [As per the Conditions]/[[●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no time is specified, the Valuation Time will be as per the Conditions*)]

(H) Custom Index Correction Period: [As per Conditions]/[[●]*specify*]

(I) Delayed Redemption on Occurrence of Custom Index Adjustment Event: [Applicable with a rate of [●] per cent. per annum/Not applicable]

(J) Custom Index Disruption Event: [[Specified Maximum Days of Disruption will be equal to: [●]]/[As per Conditions]]

(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty).

(K) Other terms or special conditions: [Not applicable]/[*specify*]

(i) Share Linked Interest Certificates: [Applicable/Not applicable]

(i) Share(s)/Share Company/Basket Company/GDR/ADR: [*insert type of Share(s) and Share Company/Basket Companies*]

[ISIN][Screen Page][Exchange Code]

[*insert GDR/ADR*][26]

(ii) Relative Basket Performance: [Not applicable/*specify*]

(iii) Formula: [*specify*]

(*N.B If Formula includes an initial closing price use term "Initial Price" for relevant definition*)

(iv) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted

[26] In the case of Share Linked Interest Certificates relating to a GDR/ADR, complete Share Linked Interest Certificates Final Terms as applicable for GDR/ADR references asset(s).

			Day [Omission/Postponement/Modified Postponement] will apply.]
	(v)	Interest Valuation Time:	[*specify*]
	(vi)	Interest Valuation Date(s):	[*specify*]
	(vii)	Observation Dates:	[*specify*] [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
	(viii)	Observation Period:	[*specify*]
	(ix)	Specified Maximum Days of Disruption:	[[As defined in Condition 1]/[*specify*] [Scheduled Trading Days]] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*).
	(x)	Exchange(s):	[*specify*]
	(xi)	Related Exchange(s):	[*specify*]/[All Exchanges]
	(xii)	Exchange Business Day:	[Single Share Basis/All Shares Basis/Per Share Basis]
	(xiii)	Scheduled Trading Day:	[Single Share Basis/All Shares Basis/Per Share Basis] (*must match election made for Exchange Business Day*)
	(xiv)	Weighting:	[The weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is [*specify*]. Each such Weighting shall be subject to adjustment [in accordance with Annex 2/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Shares*)]
	(xv)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 2*]. (*N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*)
	(xvi)	Other terms or special conditions:	[Not Applicable/[*specify*]]
(j)	ETI Linked Interest Certificates:		[Applicable/Not applicable]
	(i)	ETI/ETI Basket:	[*specify*]
	(ii)	ETI Interest(s):	[*Insert type of ETI Interest(s)*]

(iii)	Formula:	[*specify*]
(iv)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [●].]
(v)	Exchange(s):	[*specify*]/[Not applicable]
(vi)	Related Exchange(s):	[*specify*]/[All Exchanges]/[Not applicable]
(vii)	Exchange Business Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
(viii)	Scheduled Trading Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
(ix)	ETI Related Party:	[As per Conditions]/[*specify*]
(x)	Calculation Date(s):	[As per Conditions]/[*specify*]
(xi)	Initial Calculation Date:	[*specify*]/[Not applicable]
(xii)	Final Calculation Date:	[*specify*]/[Not applicable]
(xiii)	Hedging Date:	[*specify*]
(xiv)	Investment/AUM Level:	[As per Conditions][*specify*]
(xv)	Value per ETI Interest Trading Price Barrier:	[As per Conditions]/[*specify*]
(xvi)	Number of Value Publication Days:	[[●] calendar days] [[●] Value Business Days] [Value Business Day Centre(s): [*specify*]] *(N.B. Only applicable if Number of Value Publication Days is calculated by reference to Value Business Days)*
(xvii)	Value Trigger Percentage:	[As per Conditions]/[*specify*]
(xviii)	Value Trigger Period:	[As per Conditions]/[*specify*]
(xix)	Basket Trigger Level:	[As per Conditions]/[*specify*]
(xx)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 3*] [Official closing price]/[Value per ETI Interest]
(xxi)	Valuation Time:	[*specify*]
(xxii)	Specified Maximum Days of Disruption:	[As per Conditions]/[*specify*] *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*

	(xxiii)	Interest Valuation Time:	[*specify*]
	(xxiv)	Interest Valuation Date:	[*specify*]
	(xxv)	Additional Extraordinary ETI Event(s):	[*specify*]
	(xxvi)	Maximum Stock Loan Rate:	[The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [●].]
	(xxvii)	ETI Interest Correction Period:	[*specify*]
	(xxviii)	Termination Amount:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[As per Conditions]/[*specify*]
	(xxix)	Simple Interest Spread:	[As per Conditions]/[*specify*]
	(xxx)	Termination Date:	[*specify*]
	(xxxi)	Weighting:	The Weighting to be applied to each ETI Interest comprising the ETI Basket is [*specify*]
	(xxxii)	ETI Documents:	[As per Conditions][*specify*]
	(xxxiii)	Protected Amount:	[*specify*]
	(xxxiv)	Delayed Redemption on Occurrence of an Extraordinary ETI Event:	[Applicable/Not applicable]
	(xxxv)	Other terms or special conditions:	[Not applicable]/[*specify*]
(k)	Debt Linked Interest Certificates:		[Applicable/Not applicable]
	(i)	Debt Instruments:	[*specify*] [Not applicable] (*Not applicable if Futures Price Valuation applicable*)
	(ii)	Formula:	[*specify*]
	(iii)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [●].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
	(iv)	Interest Valuation Time:	[*specify*]
	(v)	Interest Valuation Date:	[*specify*]

(vi)	Observation Dates:	[*specify*] [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
(vii)	Observation Period:	[*specify*]
(viii)	Specified Maximum Days of Disruption:	[As defined in Condition 1/[[*specify*] Scheduled Trading Days] [Not applicable] (*Not applicable if Futures Price Valuation applicable*) (*If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption shall be equal to eight*).
(ix)	Exchange Business Day Centre(s):	[*specify*].
(x)	Nominal Amount:	[The relevant nominal amount is [●] and the Relevant Screen Page is [●].][Not applicable] (*Not applicable if Futures Price Valuation applicable*)
(xi)	Delayed Redemption on Occurrence of Debt Instrument Redemption Event:	[Applicable/Not applicable] [*If applicable:* Principal Protected Termination Amount: [Applicable/Not applicable] (*Not applicable if Futures Price Valuation applicable*)
(xii)	Debt Instrument Correction Period:	[As per the Conditions]/[ ]/[Not applicable] (*Not applicable if Futures Price Valuation applicable*)
(xiii)	Debt Instrument Issuer:	[ ]/[Not applicable] (*Not applicable if Futures Price Valuation applicable*)
(xiv)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
(xv)	Additional provisions applicable to Futures Price Valuation:	[Applicable]/[Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(A) Exchange-traded Contract:	[*Specify*][*If the Debt Securities are Rolling Futures Contract Securities:* Debt Security Condition 7 applies]

	(B)	Synthetic Debt Instrument:	[*include description of the key terms of the synthetic debt instrument*]
	(C)	Delivery or expiry month:	[*Specify*]/[Not applicable] (*Not applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)
	(D)	Period of Exchange-traded Contracts:	[*Specify*]/[Not applicable] (*Only applicable in the case of Debt Securities that are Rolling Futures Contract Securities*)
	(E)	Futures or Options Exchange:	[*Specify*]
	(F)	Rolling Futures Contract Securities:	[Yes/No]
	(G)	Futures Rollover [Date/Period]:	[Not applicable]/[*Specify*]
	(H)	Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract	[Applicable/Not applicable] [*If applicable:* Principal Protected Termination Amount: [Applicable/Not applicable]]
	(I)	Daily Settlement Price Correction Period:	[As per the Conditions][*Specify*]
(xvi)		Other terms or special conditions:	[Not applicable]/[*specify*]
(l)		Inflation Index Linked Interest Certificates:	[Applicable/Not applicable]
(i)		Inflation Index/Sponsor:	[*specify name of inflation index/indices*] [*specify name of inflation index sponsor(s)*]
(ii)		Formula:	[*specify*]
(iii)		Related Bond:	[Applicable/Not applicable] [*if applicable, specify*]
(iv)		Issuer of Related Bond:	[Applicable/Not applicable]
(v)		Fallback Bond:	[Applicable/Not applicable]

	(vi)	Related Bond Redemption Event:	[Applicable/Not applicable] [*if applicable, specify*]
	(vii)	Substitute Inflation Index Level:	[As determined in accordance with Annex 6] [*specify*]
	(viii)	Cut-off Date:	In respect of a [Valuation Date], the day that is [*specify*] Business Days prior to such [Valuation Date].
	(ix)	Interest Valuation Date:	[*specify*]
	(x)	Valuation Time:	[*specify*]
	(xi)	Other terms or special conditions:	[Not applicable]/[*specify*]
(m)	Currency Linked Interest Certificates:		[Applicable/Not applicable]
	(i)	The relevant base currency (the "**Base Currency**") is:	[*specify*]
	(ii)	The relevant subject [currency/currencies] ([the]/[each a] "**Subject Currency**") [is/are]:	[*specify*]
	(iii)	Formula:	[*specify*]
	(iv)	Weighting:	[*specify*]
	(v)	Price Source:	[*specify*]
	(vi)	Specified Maximum Days of Disruption:	[[*specify*]/[five] Scheduled Trading Days] *(If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)*
	(vii)	Averaging Date(s):	[*specify*] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(viii)	Observation Date(s):	[*specify*] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(ix)	Strike Date:	[*specify*]

			[Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(x)	Relevant Screen Page:	[*specify*]
	(xi)	Valuation Time:	[*specify*]
	(xii)	Interest Valuation Date:	[*specify*] [Currency Convention: [As per Conditions]/ [Preceding Currency Convention]/[Modified Following Currency Convention]]
	(xiii)	Other terms or special conditions:	[Not applicable]/[*specify*]
(n)	Fund Linked Interest Certificates:		[Applicable/Not applicable]
	(i)	Fund/Fund Basket:	[*specify*] [The [●] Fund is a Mutual Fund] The [●] Fund is a Hedge Fund] [The [●] Fund is a Private Equity Fund]
	(ii)	Fund Share(s):	[*specify*]
	(iii)	Formula:	[*specify*]
	(iv)	Fund Documents:	[As per Conditions][*specify*]
	(v)	Fund Business Day:	[All Fund share Basis] [Per Fund share Basis][Single Fund share Basis]
	(vi)	Fund Service Provider:	[As per Conditions]/[*specify*]
	(vii)	Interest Valuation Date:	[*specify*]
	(viii)	Calculation Date(s):	[As per Conditions]/[*specify*]
	(ix)	Initial Calculation Date:	[As per Conditions]/[*specify*]
	(x)	Final Calculation Date:	[*specify*]
	(xi)	Hedging Date:	[*specify*]
	(xii)	AUM Level:	[As per Conditions]/[*specify*]
	(xiii)	NAV Trigger Percentage:	[As per Conditions]/[*specify*]

	(xiv)	NAV Trigger Period:	[*specify*]
	(xv)	Number of NAV Publication Days:	[As per Conditions]/[*specify*]
	(xvi)	Basket Trigger Level:	[As per Conditions]/[*specify*]
	(xvii)	Fee:	[*specify*][Not applicable]
	(xviii)	Additional Extraordinary Fund Event(s):	[*specify*]
	(xix)	Termination Amount:	[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[As per Conditions]/[*specify*]
	(xx)	Simple Interest Spread:	[As per Conditions]/[*specify*]
	(xxi)	Termination Date:	[*specify*]
	(xxii)	Weighting:	The Weighting to be applied to each Fund Share comprising the Fund/Fund Basket is [*specify*]
	(xxiii)	Delayed Redemption on Occurrence of an Extraordinary Fund Event:	[Applicable/Not applicable]
	(xxiv)	Delayed Payment Cut-off Date:	[As per Conditions]/[*specify*]
	(xxv)	Protected Amount:	[*specify*] per Security
	(xxvi)	Other terms or special conditions:	[Not applicable]/[*specify*]
(o)	Futures Linked Interest Certificates:		[Applicable/Not applicable]
	(i)	Futures:	[*insert type of Futures*]
	(ii)	Formula:	[*specify*] (*N.B If Formula includes an initial closing price use term "Initial Price" for relevant definition*)
	(iii)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [●].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
	(iv)	Interest Valuation Time:	[*specify*]
	(v)	Valuation Date:	[*specify*]
	(vi)	Observation Dates:	[*specify*]

			[In the event that an Observation Date is a Disruption Day [Omission/Postponement/Modified Postponement] will apply.]
	(vii)	Observation Period:	[*specify*]
	(viii)	Specified Maximum Days of Disruption:	[As defined in Condition 1]/[*specify*] [Scheduled Trading Days] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption shall be equal to eight*).
	(ix)	Exchange(s):	[*specify*]
	(x)	Exchange Business Day:	[Single Future Basis/All Futures Basis/Per Futures Basis]
	(xi)	Scheduled Trading Day:	[Single Future Basis/All Futures Basis/Per Futures Basis] (*N.B. Must match election made for Exchange Business Day*)
	(xii)	Weighting:	[The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [*specify*]. Each such Weighting shall be subject to adjustment [in accordance with Annex 9/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket*)]
	(xiii)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method if different from Annex 9*]. (*N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.)*
	(xiv)	Other terms or special conditions:	[Not applicable]/[*specify*]]
(p)	Instalment Certificates:		The Certificates [are/are not] Instalment Certificates.
	(i)	Instalment Amount(s)	[*specify*]
	(ii)	Instalment Date(s):	[*specify*]
(q)	Issuer Call Option:		[Applicable/Not applicable] (*N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[*specify*]

	(ii)	Optional Redemption Valuation Date(s):	[*specify*]
	(iii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[*specify*]
	(iv)	Notice Period (if different from those set out in the Conditions):	[*specify*]
(r)	Holder Put Option:		[Applicable/Not applicable] (*N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[*specify*]
	(ii)	Optional Redemption Valuation Date(s):	[*specify*]
	(iii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[*specify*]
	(iv)	Notice Period (if different from those set out in the Conditions):	[*specify*]
(s)	Automatic Early Redemption[27]:		[Applicable/Not applicable] [*If applicable*: [*specify*]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Automatic Early Redemption Amount:	[*specify*/See definition in Condition 32.8]
	(ii)	Automatic Early Redemption Date(s):	[*specify*]
	(iii)	Automatic Early Redemption Level:	[*specify*]

[27] Only applicable in relation to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities and Futures Securities. In respect of OET Certificates, refer to item 32(h) above.

	(iv)	Automatic Early Redemption Rate:	[*specify*]
	(v)	Automatic Early Redemption Percentage:	[*specify*]
	(vi)	Automatic Early Redemption Valuation Date(s):	[*specify*]
(t)	Cash Settlement Amount:		[*Insert details of Cash Settlement Amount and how it is to be calculated for Cash Settled Certificates*]/[As per OET Certificate Conditions] (*N.B. Delete each remaining sub-paragraph of this paragraph that is not applicable*)
	(i)	Bonus Level:	[*specify*]
	(ii)	Knock-in Window:	[*specify*]
	(iii)	Lower Level:	[*specify*]
	(iv)	Observation Level:	[*specify*]
	(v)	Participation Coefficient:	[*specify*]
	(vi)	Reference Threshold:	[*specify*]
	(vii)	Reverse Level:	[*specify*]
	(viii)	Security Barrier:	[*specify*]
	(ix)	Strike Price:	[*specify*]
	(x)	Upper Level:	[*specify*]
	(xi)	Other:	[*specify*]
(u)	Strike Date:		[*specify*]/[Not applicable] (*N.B. Only relevant for certain Index and Share Securities*)
(v)	Redemption Valuation Date:		[*specify*]/[As specified in Condition [●] in relation to Open End Certificates] /[Not applicable]
(w)	Averaging:		Averaging [applies/does not apply] to the Securities. [The Averaging Dates are [*specify*].] (*Not applicable to Inflation Index Securities*) [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement]

		(as defined in Condition 27) will apply.] (*N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities*) [In the event of Modified Postponement applying, the Averaging Date will be determined [specify relevant provisions] (*N.B. Only applicable in relation to Debt Securities, Currency Securities or Fund Securities*).] [In the event that an Averaging Date is a Disrupted Day, the provisions of Annex 1 will apply] (*N.B. Only applicable to Index Securities relating to a Custom Index*)
(x)	Observation Dates:	[*specify*]/[Not applicable] [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (*N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities*) [In the event that an Observation Date is a Disrupted Day, the provisions of Annex 1 will apply] (*N.B. Only applicable to Index Securities relating to a Custom Index*) [In the event of Modified Postponement applying, the Observation Date will be determined] [specify relevant provisions] (*N.B. Only applicable in relation to Debt Securities, Currency Securities or Fund Securities*).]
(y)	Observation Period:	[*specify*]/[Not applicable] (Not applicable to Inflation Index Securities)
(z)	Settlement Business Day:	"**Settlement Business Day**" for the purposes of Condition 5 means [*specify*]. (*N.B. Only applicable in the case of Physical Delivery Securities*)
(aa)	Cut-off Date:	[*specify*]/[Not applicable] (N.B. Only applicable in the case of Physical Delivery Securities and if provisions in Conditions not applicable)

DISTRIBUTION AND US SALES ELIGIBILITY (ALL SECURITIES)

39. Selling Restrictions:

(a)	Eligibility for sale of Securities in the United States:	The Securities are not eligible for sale in the United States.
(b)	Other Selling Restrictions:	[*Insert any additional selling restrictions*]

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. [The information included in [the Annex] (the "[●] **Information**") consists of extracts from or summaries of information that is publicly available in respect of [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.][28]

Signed on behalf of [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas]

As Issuer:

By:.....

Duly authorised

The Guarantor accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Guarantor (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. [The information included [in the Annex] (the "[●] **Information**") consists of extracts from or summaries of information that is publicly available in respect of [●]. The Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.][29]

Signed on behalf of BNP Paribas

As Guarantor:

By:.....

Duly authorised

[28] Include only if such information has been included.

[29] Include only if such information has been included.

PART B – OTHER INFORMATION

1. Listing and Admission to trading – [De-listing]

[The Securities are unlisted.]/[Application has been made by the Issuer (or on its behalf) for the Securities to be admitted provisionally to trading on [SIX Structured Products Exchange Ltd.]/[SIX Swiss Exchange] with effect from [●]. Application for listing on SIX Swiss Exchange will be made by the Issuer (or on its behalf) for the Securities as soon as possible thereafter. The last day of trading is expected to be [●][30].

[The de-listing of the Securities on the exchange market specified above shall occur on [*specify*], subject to any change to such [date/period] by such exchange/ market] or any competent authorities, for which the Issuer [and the Guarantor] shall under no circumstances be liable].

(*Where documenting a fungible issue need to indicate if original Securities are already admitted to trading*)

2. Additional information Required for Securities to be listed on SIX Swiss Exchange

Listing/Trading information:	Trading Size and Ratio: [*minimum and maximum trading size and the standard exercise ratio*] First Trading Day: [*first trading day*] Last Trading Day and Time: [last trading day as well as the time of day at which trading shall cease][31] Capital Protection: [Capital protection [*specify*] /no capital protection] Type of quoting: [the Notes are traded or quoted including accrued interest (dirty trading)] [accrued interest is shown separately (clean trading)]]
Information relating to underlyings:	[*insert the information on the underlying instruments required by section 4 of scheme F of the SIX Swiss Exchange and the tax information in relation to a purchase of underlying instruments required by section 3.2.12 of scheme F of the SIX Swiss Exchange, to the extent such information is not already included elsewhere in the Final Terms.*]
Additional information:	Name and address of the representative for purposes of Article 43 of the Listing Rules of the SIX Swiss Exchange: BNP Paribas (Suisse) SA, [Selnaustrasse 16, CH-8022 Zurich,] Switzerland. No Material Adverse Change. Save as disclosed in the Base Prospectus, there has been no material adverse change, nor any event involving a prospective material adverse change in the financial and trading position of the Issuer and the Guarantor since [*insert date of the most recently published audited financial statements*].

[30] Two SIX Swiss Exchange trading days prior to Termination Date.

[31] Two SIX Swiss Exchange trading days prior to Termination Date.

3. [Ratings

Ratings: [The Securities to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert credit rating agency name(s)*].]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider:*

[●]

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

[[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority.]

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended).]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings have been endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with the CRA Regulation. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Union and registered under the CRA Regulation.] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico/Brazil *(delete as appropriate)*] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), but it [is/has applied to be] certified in accordance with the CRA Regulation [although notification of the corresponding certification decision has not yet been provided by the relevant competent authority European Securities and Markets Authority and [insert the legal name of the relevant non-EU CRA entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

4. [Risk Factors

[*Include any product specific risk factors which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus.*]]

5. [Interests of Natural and Legal Persons Involved in the [Issue/Offer]

[Need to include a description of any interest, including conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement]:

"Save as discussed[in the "*Potential Conflicts of Interest*" paragraph in the "*Risk Factors*" in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer."]

6. Performance of Underlying/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

[*Need to include details of where past and future performance and volatility of the index/formula/other variables can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.*]

[*Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained*]

[*Where the underlying is a security need to include the name of the issuer of the security and the ISIN (International Security Identification Number) or other such security identification code*]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

7. Operational Information

Relevant Clearing System(s):	[SIX SIS Ltd., Olten, Switzerland] [*N.B. Ensure all relevant entities have been appointed and formalities complied with in accordance with the rules and regulations of the relevant clearing system*]
Delivery	Delivery [*against/free of*] payment

[PART C – OTHER APPLICABLE TERMS

[*specify*]]

ANNEX – ANNEX FOR CREDIT SECURITIES

[●]

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Futures Securities, the additional terms and conditions contained in Annex 10 in the case of Credit Securities or any other Annex (each, an "Annex' and, together the "Annexes") which may be added from time to time in the case of any other security linked to any other Underlying Reference (the "Terms and Conditions") which will be attached to or incorporated by reference into each Certificated Note or in the case of Uncertificated Notes (as defined below) will apply to such Notes.

This Note is one of a Series of the Notes ("**Notes**", which expression shall mean (i) in relation to any Notes represented by a Note in permanent global form (a "**Permanent Global Note**"), units of the lowest Specified Denomination (as specified in the applicable Final Terms) in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a Permanent Global Note and (iii) Uncertificated Notes (as defined below)) and, in each case, will be held as securities (the "**Intermediated Securities**") (*Bucheffekten*) in accordance with the Swiss Federal Intermediary Securities Act ("**FISA**") (*Bucheffektengesetz*) issued by BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**" or the "**Issuer**") subject to, and with the benefit of, a Note agency agreement (the "**Note Agency Agreement**", which expression includes the same as it may be updated, amended, supplemented or restated from time to time) dated on or around 8 October 2015 and made between BNPP B.V. as issuer, BNP Paribas ("**BNPP**") as guarantor (in such capacity, the "**Guarantor**") and, if specified in the applicable Final Terms, calculation agent, BNP Paribas Securities Services, Paris, Succursale de Zurich as principal agent and transfer agent (the "**Principal Paying Agent**" which expressions shall include any successor as principal paying agent) and BNP Paribas Arbitrage S.N.C. if specified in the applicable Final Terms as calculation agent (together with BNP Paribas, each a "**Calculation Agent**" which expression shall include any other calculation agent specified in the applicable Final Terms and together with the Principal Paying Agent, the "**Agents**").

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means each original issue of Notes together with any further issues expressed to be consolidated and form a single series with the original issue and which have the same terms and conditions or terms and conditions which are the same in all respects save for the Issue Date, Issue Price, the amount and date of the first payment of interest thereon (if any) and/or the date from which interest (if any) starts to accrue and the expressions "**Notes of the relevant Series**" and "**Noteholders of the relevant Series**" and related expressions shall be construed accordingly.

The holders for the time being of the Notes ("**Noteholders**" or "**Holders**"), which expression shall, in relation to any Notes represented by a Global Note or any Uncertificated Note, be construed as provided in Condition 1, are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Note Agency Agreement and the applicable Final Terms, which are binding on them. Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Note Agency Agreement. Copies of the Note Agency Agreement (which contains the form of Final Terms) and the Final Terms for the Notes of this Series are available from the principal office of the Principal Paying Agent and the Paying Agents set out at the end of these Terms and Conditions.

The Noteholders are entitled to the benefit of a deed of covenant (the "**Deed of Covenant**" which expression includes the same as it may be amended, supplemented and/or restated from time to time) dated on or around 8 October 2015 and made by the Issuers. The original of the Deed of Covenant is held by BNP Paribas Securities Services, Succursale de Zurich.

Subject as provided in the relevant Guarantee (as defined below), the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the

deed of Guarantee in respect of English Law Notes dated on or around 8 October 2015 (the "**BNPP English Law Note Guarantee**") or, in the case of French Law Notes, guaranteed by BNPP pursuant to the deed of guarantee in respect of French Law Securities dated on or around 8 October 2015 (the "**BNPP French Law Guarantee**", and together with the BNPP English Law Note Guarantee, the "**Guarantees**").

Any reference herein to SIS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuers and the Principal Paying Agent.

Words and expressions defined in the Note Agency Agreement or used in the applicable Final Terms (which term, as used herein, means, in relation to this Note, the Final Terms attached hereto or endorsed hereon or, as the case may be, applicable to such Notes shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. FORM, DENOMINATION, TITLE AND TRANSFER

1.1 Form, Denomination and Title

English Law Notes are issued as Certificated Notes and French Law Notes are issued as Uncertificated Notes. The Notes may be denominated in Swiss Francs or such other currencies as approved by SIS.

English Law Notes are represented by a permanent global note (the "**Permanent Global Note**" or "**Global Note**") and, in each case, will be held as intermediated securities (the "**Intermediated Securities**") (*Bucheffekten*) in accordance with the Swiss Federal Intermediated Securities Act ("**FISA**") (*Bucheffektengesetz*) (the "**Certificated Notes**").

The Intermediated Securities will be created (i) by the deposit by the Principal Paying Agent of the Permanent Global Note with SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIS or such other intermediary, the "**Intermediary**") on or prior to the issue date and (ii) by the Intermediary crediting the respective rights to securities accounts of the relevant participants with the Intermediary.

French Law Notes are issued in uncertificated and dematerialised form (*inscription en compte*) (the "**Uncertificated Notes**"). Neither a Permanent Global Note nor definitive notes or any other certificate representative of an Uncertificated Note will be issued in respect of Uncertificated Notes and these Terms shall be construed accordingly. Uncertificated Notes will be created by the Issuer by means of a registration in its register of uncertificated securities. Such Uncertificated Notes will then be entered into the main register (*Hauptregister*) of the Intermediary on or prior to their issue date. Once (i) the Uncertificated Notes are registered in the main register (*Hauptregister*) of the Intermediary and (ii) the Intermediary has credited the respective rights to securities accounts of the relevant participants with the Intermediary, such Uncertificated Notes will constitute Intermediated Securities.

The records of the Intermediary will determine the number of Notes held through each participant maintaining a securities account with the Intermediary. In respect of Notes held in the form of Intermediated Securities, the holder of a particular number of Notes (a "**Holder**") will be the person holding such number of Securities in a securities account in their own name and for their own account with the Intermediary or any other securities intermediary maintaining securities accounts (the Intermediary or such other securities intermediary the "**Relevant Intermediary**") and such person shall be treated by the Issuer, the Guarantor, if any, and the Principal Paying Agent as the holder of such number of Notes for all purposes. The expressions "**Holder**" and "**Noteholder**" and related expressions shall be construed accordingly.

Notwithstanding the above and anything contrary herein, the Issuer shall make all payments and/or delivery of Entitlement(s) due to the Holders under the Notes to the Principal Paying Agent and, upon receipt by the

Principal Paying Agent of the due and punctual payment of such funds and/or delivery of Entitlement(s) in Switzerland, shall be discharged from its obligations to Holders under such Notes to the extent that such funds and/or Entitlement have been received by the Principal Paying Agent as of such date.

Each Holder of Certificated Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note representing such Certificated Notes to the extent of his 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.

In respect of Uncertificated Notes, neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Notes into, or the delivery of, a Permanent Global Note or definitive notes.

Subject as provided below, in the case of either Certificated Notes or Uncertificated Notes, no printing of notes in definitive form will occur. Subject to any applicable laws, neither the Issuer nor the Holders of a Permanent Global Note shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities or Certificated Notes in definitive form.

If (i) the Principal Paying Agent deems the printing of securities in definitive form and, if applicable, coupons for the payment of interest or premium amount, ("**Coupons**") to be necessary or useful, or (ii) the presentation of securities in definitive form or, if applicable Coupons, is required by Swiss or foreign laws in connection with the enforcement of rights (including in cases of bankruptcy, consolidation or reorganisation of the Issuer) (each such circumstance, in respect of Certificated Notes, the Issuer shall determine the form of such definitive notes and, if applicable Coupons, as well as any necessary technical changes required to these Terms and Conditions in consultation with the Principal Paying Agent.

The Permanent Global Notes do not have Coupons attached on issue.

Certificated Notes denominated in Swiss Francs benefit from a limited exception to the certification in bearer form requirement of the TEFRA D Rules, if such Certificated Notes fulfil the relevant requirements set out below.

The following criteria must be fulfilled in order for the limited exception to the certification requirement of the TEFRA D Rules to apply:

(a) the interest on, and the principal of, the Notes are denominated only in Swiss Francs;

(b) the interest on, and the principal of, the Notes are payable only in Switzerland;

(c) the Notes are offered and sold in accordance with Swiss customary practice and documentation;

(d) the relevant dealers agree to use reasonable efforts to sell the Notes within Switzerland;

(e) the Notes are not listed, or subject to an application for listing, on an exchange located outside Switzerland;

(f) the issuance of the Notes is subject to guidelines or restrictions imposed by Swiss governmental, banking or securities authorities; and

(g) more than 80 per cent. by value of the Notes included in the offering of which they are part are offered and sold to non-dealers by dealers maintaining an office located in Switzerland.

This Note is, to the extent specified in the applicable Final Terms, a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note and/or a Note with interest linked to one or more, or a

combination of, underlying reference asset(s) or basis(bases) (each an "**Underlying Reference(s)**") specified in the applicable Final Terms ("**Linked Interest Notes**") such as an Index Linked Interest Note, a Share Linked Interest Note, an Inflation Linked Interest Note, a Commodity Linked Interest Note, a Fund Linked Interest Note, an ETI Linked Interest Note, a Currency Linked Interest Note, a Debt Linked Interest Note or (in the case of a combination of underlying reference assets or bases) a Hybrid Linked Interest Note or, subject to all applicable laws and regulations, any other type of Note depending on the Interest Basis specified in the applicable Final Terms. This Note may be an Index Linked Redemption Note (together with Index Linked Interest Notes, "**Index Securities**"), a Share Linked Redemption Note (together with Share Linked Interest Notes, "**Share Securities**"), an Inflation Linked Redemption Note (together with Inflation Linked Interest Notes, "**Inflation Index Securities**"), a Commodity Linked Redemption Note (together with Commodity Linked Interest Notes, "**Commodity Securities**"), a Fund Linked Redemption Note (together with Fund Linked Interest Notes, "**Fund Securities**"), a Credit Linked Redemption Note (a "**Credit Security**"), an ETI Linked Redemption Note (together with ETI Linked Interest Notes, "**ETI Securities**"), a Currency Linked Redemption Note (together with Currency Linked Interest Notes, "**Currency Securities**"), a Debt Linked Redemption Note (together with a Debt Linked Interest Note, "**Debt Securities**"), a Note with redemption linked to any combination of underlying reference assets or bases (a "**Hybrid Linked Redemption Note**" and together with a **Hybrid Linked Interest Note**, "**Hybrid Securities**"), an Instalment Note, a Partly Paid Note, a Dual Currency Redemption Note) or any combination thereof or, subject to all applicable laws and regulations, any other type of Note depending on the Redemption/Payment Basis specified in the applicable Final Terms.

If the Notes are Hybrid Securities and Hybrid Securities is specified as applicable in the applicable Final Terms, the terms and conditions of the Notes will be construed on the basis that in respect of each separate type of Underlying Reference, the relevant terms applicable to each such separate type of Underlying Reference will apply, as the context admits, separately and independently in respect of the relevant type of Underlying Reference, except as specified in the applicable Final Terms.

The Notes will be settled by way of cash payment ("**Cash Settled Notes**" or "**Cash Settled Securities**") or, if Physical Settlement is specified as applicable in the applicable Final Terms, will be settled by physical delivery ("**Physical Delivery Notes**" or "**Physically Settled Securities**").

1.2 **Transfers of Certificated and Uncertificated Notes**

So long as the Certificated Notes remain deposited or Uncertificated Notes remain registered with the Intermediary, all transactions (including permitted transfers of Certificated Notes) in the open market or otherwise must be effected subject to and in accordance with the provisions of the FISA and the applicable rules and regulations of the Intermediary. So long as the Certificated Notes remain deposited or Uncertificated Notes remain registered with the Intermediary, the Notes may only be transferred or otherwise disposed of in accordance with the provisions of FISA, i.e. by the entry of the transferred Notes in a securities account of the transferee.

1.3 **Definitions**

In this Condition, the following expressions shall have the following meanings:

"**Certificated Notes**" is as defined in Condition 1.1;

"**Coupons**" is as defined in Condition 1.1;

"**FISA**" is as defined in paragraph 2 of these Terms and Conditions and Condition 1.1;

"**Global Note**" is as defined in Condition 1.1;

"**Holder**" is as defined in Condition 1.1;

"**Intermediated Securities**" is as defined in paragraph 2 of these Terms and Conditions and Condition 1.1;

"**Intermediary**" is as defined in Condition 1.1;

"**Noteholder**" is as defined in Condition 1.1;

"**Permanent Global Note**" is as defined in paragraph 2 of these Terms and Conditions and Condition 1.1;

"**Relevant Intermediary**" is as defined in Condition 1.1; and

"**Uncertificated Notes**" is as defined in Condition 1.1.

2. STATUS OF THE NOTES AND THE GUARANTEE

2.1 Status

The Notes are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

2.2 Status and terms of the Guarantees

(a) Guarantees

The obligations of BNPP under the Guarantees are direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Guarantor (save for statutorily preferred exceptions).

(b) Terms of Guarantees

Subject as provided below and in the relevant Guarantee, the Guarantor has unconditionally and irrevocably (a) guaranteed to each Noteholder all obligations of the Issuer in respect of such Notes as and when such obligations become due, and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Notes as and when such obligations become due, the Guarantor will after a demand has been made on the Guarantor (without requiring the relevant Noteholder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though the Guarantor were the principal obligor in respect of such obligations, provided that in the case of Notes (other than Credit Securities) where the obligations of the Issuer which fall to be satisfied by the Guarantor constitute the delivery of the Entitlement to the holders of such Notes if such delivery is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 4(b)(i)(C)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 4(b)(i)(D)), in lieu of such delivery the Guarantor will make payment in respect of each such Note of, in the case of (x) above, the Disruption Cash Redemption Amount (as defined in Condition 4(b)(i)(C)) or in the case of (y) above, the Failure to Deliver Redemption Amount (as defined in Condition 4(b)(i)(D)). Any payment of the Disruption Cash Redemption Amount or the Failure to Deliver Redemption Amount, as the case may be, in respect of a Note shall constitute a complete discharge of the Guarantor's obligations in respect of the delivery of the Relevant Assets affected by the Settlement Disruption Event or Failure to Deliver due to Illiquidity, as the case may be.

3. INTEREST

3.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(a) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or

(b) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be shall be brought forward to the immediately preceding Business Day; or

(c) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

If no Business Day Convention is specified as applicable to an Interest Period End Date in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) the Interest Period End Final Date in respect of such Interest Period, will amount to the Fixed Coupon Amount.

Interest shall be calculated by applying the Rate of Interest to: (A) in the case of Fixed Rate Notes which are Certificated Notes represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or (B) in the case of Fixed Rate Notes which are Uncertificated Notes, the aggregate outstanding nominal amount of such Uncertificated Notes, multiplying such sum by the applicable Day Count Fraction, 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, and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 3.13 below.

"**sub-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 one cent.

3.2 Interest on Floating Rate Notes

(a) Interest Period End Dates and Interest Payment Dates

Each Floating Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, in accordance with Condition 3.10) or pays interest in respect of each Interest Period (which expression shall in these Terms and

Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 3.2 "**Interest Period End Date**" shall mean either:

(i) the specified Interest Period End Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) In any case where Specified Periods are specified in accordance with Condition 3.2(a)(ii) above, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (aa) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

(B) The Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or

(C) The Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

(D) The Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(c) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are Certificated Notes represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Certificated Notes (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes which are Uncertificated Notes, the aggregate outstanding nominal amount of such Uncertificated Notes,

in each case, multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (as defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 3.13 below.

(d) Linear Interpolation

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

"**Designated Maturity**" means (i) in relation to Screen Rate Determination, the period of time designated in the Reference Rate or (ii) in relation to FBF Determination, the period of time specified in the relevant FBF Rate.

3.3 **Interest on Linked Interest Notes**

(a) Interest Period End Dates and Interest Payment Dates

Each Linked Interest Note bears interest on its nominal amount (or, if it is a Partly Paid Note, in accordance with Condition 3.10) or pays interest in respect of each Interest Period (which expression shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 3.3 "**Interest Period End Date**" shall mean either:

(i) the specified Interest Period End Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) In any case where Specified Periods are specified in accordance with Condition 3.3(a)(ii) above, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (aa) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

(B) The Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or

(C) The Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

(D) The Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Linked Interest Notes will be the Coupon Rate determined in the manner specified in the applicable Final Terms which Coupon Rate may comprise one or more Additional Coupons determined in the manner specified in the applicable Final Terms.

(c) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Linked Interest Notes which are Certificated Notes represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Linked Interest Notes which are represented by Uncertificated Notes, the aggregate outstanding nominal amount of such Uncertificated Notes,

in each case, multiplying such sum by the Day Count Fraction (if any) specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (as defined above) of the relevant Specified Currency, one half of such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 3.13 below.

3.4 **ISDA, FBF and Screen Rate Determination**

(a) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which a Rate of Interest or Rate, as applicable, is to be determined, such Rate of Interest or Rate, as the case may be, for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

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

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

(iii) the relevant Reset Date is either (x) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (y) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(b) FBF Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**FBF Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to transactions on forward financial instruments (an "**FBF Agreement**"), as in effect on the date of issue of the Notes, published by the *Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Note under which:

(i) the Issuer was the Floating Amount Payer;

(ii) the Calculation Agent (as defined herein) was the Agent (as defined in the FBF Agreement) or as otherwise specified in the applicable Final Terms;

(iii) the Interest Commencement Date was the Transaction Date;

(iv) the lowest Specified Denomination was the Notional Amount;

(v) the Interest Payment Dates were the Floating Amount Payment Dates; and

(vi) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

(A) the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under sub-conditions 3.2(c) or 3.3(c) above, as applicable;

(B) the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Calculation Agent in accordance with the preceding sentence; and

(C) the Calculation Agent or Calculation Agent, as applicable, will be deemed to have discharged its obligations under sub-conditions 3.2(c) or 3.3(c) above, as applicable, if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(c) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which a Rate of Interest or Rate is to be determined, such Rate of Interest or Rate, as the case may be, for each Interest Period will, subject as provided below, be either:

(i) the offered quotation; or

(ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all 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 (rounded as provided above) of such offered quotations.

The Note Agency Agreement contains provisions for determining the Rate of Interest or Rate in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time indicated above or in the applicable Final Terms.

If the Reference Rate from time to time is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest or Rate in respect of such Notes will be determined as provided in the applicable Final Terms.

3.5 **Minimum and/or Maximum Interest Rate**

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3.2(b), 3.2(d), 3.3(b) or 3.4 (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3.2(b), 3.2(d), 3.3(b) or 3.4 (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

3.6 **Notification of Rate of Interest and Interest Amount**

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (such notifications to occur no later than the Business Day following such determination), and, if applicable, to any stock exchange on which the relevant Notes are for the time being listed. In addition, the Principal Paying Agent (except where the relevant Notes are unlisted and are in global form and held in their entirety on behalf of SIS in which event there may be substituted for such publication the delivery of such notice to SIS for communication to the holders of the Notes) shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth Zurich Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of these Conditions, the expression "**Zurich Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Zurich.

3.7 **Certificates to be Final**

All certificates, communications, determinations, calculations and decisions made for the purposes of the provisions of Conditions 3.2 to 3.6 and/or Condition 3.12, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent or, if applicable, the Calculation Agent and all Noteholders, and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Calculation Agent, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3.8 **Other definitions**

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

3.9 **Zero Coupon Notes**

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5.5 at its Amortised Face Amount. As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield specified in the applicable Final Terms. Such interest shall continue to accrue (as well after as before any judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note. Such interest will be calculated on the basis of a 360-day

year consisting of 12 months of 30 days each and in the case of an incomplete month the actual number of days elapsed in such incomplete month.

3.10 **Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes) interest will accrue as aforesaid on the paid-up nominal amount of such Notes.

3.11 **Interest Payments**

Interest will be paid subject to and in accordance with the provisions of Condition 4. Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless such Note is redeemed early. If such Note is redeemed early (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the due date for redemption of such Note. If the payment of principal or the payment, and/or delivery of the Entitlement (if applicable), is improperly withheld or refused, interest will continue to accrue (as well after as before any judgment) at the Fixed Rate or, as the case may be, the Rate of Interest or as otherwise provided in the applicable Final Terms until whichever is the earlier of (i) the day on which all sums due and/or assets deliverable in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Principal Paying Agent or any agent appointed by the Issuer to deliver such assets to Noteholders has notified the holder thereof (either in accordance with Condition 16 or individually) of receipt of all sums due and/or assets deliverable in respect thereof up to that date.

Provided that in the case of Credit Securities, these provisions shall be subject to the provisions contained in Annex 10 – "Additional Terms and Conditions for Credit Securities".

3.12 **Definitions**

In these Terms and Conditions:

"**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and

(c) either (A) in relation to any sum payable in a Settlement Currency other than euro or CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Settlement Currency (any such centre, an "**Additional Business Centre**" and which, if the Settlement Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively), or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open (a "**TARGET2 Settlement Date**") or (C) in relation to any sum payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre(s).

"**Calculation Period**" means each Interest Period.

"**Day Count Fraction**" means, in respect of the calculation of a rate or an amount of interest for any Calculation Period:

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

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Period End 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 applicable Final Terms) that would occur in one calendar year; or

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

(x) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

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

where:

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**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 Interest Period End 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);

(b) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable 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 (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

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

(d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of a Calculation Period ending in a leap year, 366;

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

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

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

where:

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

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

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

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

"D_1" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

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

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

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

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

"D_1" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

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

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

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

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

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

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

3.13 **Dual Currency Interest Notes**

If the Notes are specified in the applicable Final Terms as Dual Currency Interest Notes, the amount of interest calculated in respect of any Interest Payment Date is not an amount in the Settlement Currency, it will be converted into the Settlement Currency at the Specified Exchange Rate specified in the applicable Final Terms or, if no Specified Exchange Rate is specified, the Settlement Currency Exchange Rate on the relevant Settlement Currency Exchange Rate Observation Date.

Any reference to "interest" in this Condition 3.13 shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

4. PAYMENTS AND PHYSICAL DELIVERY

For the purposes of this Condition 4, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so admits, be deemed also to refer to delivery of any Entitlement(s).

(a) ***Method of Payment***

Subject as provided below, payments in respect of Swiss Notes in the form of Intermediated Securities will be made to the Holders on the due date for such payment, subject to Condition 1.1 above and in accordance with the rules and procedures applied by SIS from time to time.

The Issuer or the Guarantor shall pay or cause to be paid all payments or principal and interest (if any) due to Holders under the Notes to the Principal Paying Agent. Upon receipt by the Principal Paying Agent of the due and punctual payment of such funds in Switzerland, the Issuer and the Guarantor shall be discharged from its obligations to Holders under the Notes to the extent that such funds have been received by the Principal Paying Agent as of such date.

Each Holder must look solely to the Principal Paying Agent for his share of each such payment so made to, or to the order of, the Principal Paying Agent.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

The applicable Final Terms may also contain provisions for variation of settlement where, for reasons beyond the control of the Issuer or any Noteholder (including, without limitation, unlawfulness,

illegality, impossibility, *force majeure*, non-transferability or the like, each a "**Payment Disruption Event**"), the Issuer is not able to make, or any Noteholder is not able to receive, as the case may be, payment on the due date and in the Settlement Currency of any amount of principal or interest due under the Notes.

If the applicable Final Terms specify "CNY Payment Disruption Event" to be applicable, in the event that the Calculation Agent determines, in its sole and absolute discretion, that a CNY Payment Disruption Event has occurred or is likely to occur and that such CNY Payment Disruption Event is material in relation to the Issuer's payment obligations under the Notes in respect of any forthcoming Interest Payment Date, Maturity Date or other date on which any amount in respect of the Notes shall be due and payable (each such date, an "**Affected Payment Date**"), then the Calculation Agent shall notify Noteholders as soon as practicable of the occurrence of such CNY Payment Disruption Event in accordance with Condition 16.

(I) If the applicable Final Terms specify that "CNY Payment Disruption Event" is applicable to the Notes, upon the occurrence of a CNY Payment Disruption Event:

(i) *Postponement*

If the applicable Final Terms specify "Postponement" to be applicable in respect of the Notes, then the Affected Payment Date shall be postponed until the earlier of (A) the second Business Day following the day on which such CNY Payment Disruption Event ceases to exist, and (B) the date falling 14 calendar days following the original date on which the Affected Payment Date was scheduled to fall (the "**CNY Payment Disruption Cut-off Date**") and notice thereof shall be given to the relevant Noteholders in accordance with Condition 16. For the avoidance of doubt, no amount of interest shall be payable in respect of any delay in payment of any amount(s) due to the adjustment of any Affected Payment Date.

In the event that, pursuant to the preceding paragraph, the Affected Payment Date is adjusted to fall on the CNY Payment Disruption Cut-off Date and the Calculation Agent determines that a CNY Payment Disruption Event still exists on such day, then the Issuer shall make payment of the Equivalent Amount of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if applicable) on the CNY Payment Disruption Cut-off Date and notice thereof shall be given to the relevant Noteholders in accordance with Condition 16. Any such payment made by the Issuer on the CNY Payment Disruption Cut-off Date shall be in full and final settlement of its obligations to pay such amount in respect of the Notes.

(ii) *Payment of Equivalent Amount*

If the applicable Final Terms specify "Payment of Equivalent Amount" to be applicable in respect of the Notes, the Issuer shall, upon giving notice prior to the relevant Affected Payment Date to the Noteholders in accordance with Condition 16, make payment of the Equivalent Amount of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if applicable) on the relevant Affected Payment Date. Any such payment made by the Issuer on an Affected Payment Date shall be in full and final settlement of its obligations to pay such amount in respect of the Notes.

(iii) For these purposes:

"**CNY**" means Chinese Yuan or Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY).

"**CNY 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) in the People's Republic of China, Hong Kong and any other CNY Settlement Centre(s).

"**CNY Payment Disruption Event**" means the occurrence of any of the following events:

(A) an event which makes it impossible (where it had previously been possible) or impractical for the Issuer to convert any amounts due and payable in CNY under the Notes into or from the Equivalent Amount Settlement Currency in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), except where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any CNY Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to events beyond its control, to comply with such law, rule or regulation) (a "**CNY Inconvertibility Event**"). For the avoidance of doubt, the inability of the Issuer to convert CNY solely due to issues relating to its creditworthiness shall not constitute a CNY Inconvertibility Event;

(B) an event that makes it impossible (where it had previously been possible) or impractical for the Issuer to deliver (i) CNY between accounts inside the relevant CNY Settlement Centre(s), or (ii) from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s) (including, if applicable, to another CNY Settlement Centre) and outside Mainland China, or (iii) from an account outside the relevant CNY Settlement Centre(s) (including, if applicable, from an account inside another CNY Settlement Centre) and outside Mainland China to an account inside the relevant CNY Settlement Centre(s), except where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any CNY Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to events beyond its control, to comply with such law, rule or regulation) (a "**CNY Non-Transferability Event**"). For the purposes of determining whether a CNY Non-Transferability Event has occurred only, a segregated CNY fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong; and

(C) an event that makes it impossible (where it had previously been possible) or impractical for the Issuer to obtain a firm quote of an offer price in respect of any amounts due and payable in CNY under the Notes (either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such amount) in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s) in order to perform its obligations under the Notes (a "**CNY Illiquidity Event**"). For the avoidance of doubt, the inability of the Issuer to obtain such firm quote solely due to issues relating to its creditworthiness shall not constitute a CNY Illiquidity Event.

"**CNY Settlement Centre**" means the financial centre(s) specified as such in the applicable Final Terms in accordance with applicable laws and regulations. If no CNY Settlement Centre

is specified in the relevant Final Terms, the CNY Settlement Centre shall be deemed to be Hong Kong.

"**Equivalent Amount**" means, following the occurrence of a CNY Payment Disruption Event and in respect of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if applicable) on the relevant Affected Payment Date or the relevant CNY Payment Disruption Cut-off Date, as the case may be (for these purposes, the "**Relevant CNY Amount**"), an amount in the Equivalent Amount Settlement Currency determined by the Calculation Agent (in its sole and absolute discretion), by converting the Relevant CNY Amount into the Equivalent Amount Settlement Currency using the Equivalent Amount Settlement Price for the relevant Affected Payment Date or the relevant CNY Payment Disruption Cut-off Date, as the case may be.

"**Equivalent Amount Settlement Currency**" means the currency specified as such in the applicable Final Terms.

"**Equivalent Amount Settlement Price**" means, in respect of any relevant day, the spot rate of exchange between CNY and the Equivalent Amount Settlement Currency on such day, appearing on the Equivalent Amount Settlement Price Source at the Equivalent Amount Settlement Valuation Time on such day (expressed as a number of units (or part units) of CNY for which one unit of the Equivalent Amount Settlement Currency can be exchanged), or if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer CNY/Equivalent Amount Settlement Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) at the Equivalent Amount Settlement Valuation Time on such day. If less than two leading dealers provide the Calculation Agent with bid and offer CNY/Equivalent Amount Settlement Currency exchange rates on such day, the Calculation Agent shall determine the Equivalent Amount Settlement Price in its discretion.

"**Equivalent Amount Settlement Price Source**" means the price source specified in the applicable Final Terms.

"**Equivalent Amount Settlement Valuation Time**" means, unless otherwise specified in the applicable Final Terms, the time at which the Equivalent Amount Settlement Price Source publishes the Equivalent Amount Settlement Price.

"**impossible**" or "**impossibility**" in relation to a CNY Payment Disruption Event, shall include (but shall not be limited to) any act which, if done or performed by the Issuer (or any affiliate of the Issuer) would be or result in the breach of any applicable law, rule, or regulation.

"**impractical**" or "**impracticality**" means, in relation to a CNY Payment Disruption Event and in respect of any action to be taken by the Issuer, that the Issuer (or any of its affiliates) would incur a materially increased amount of taxes, duties, expenses or fees (as compared with circumstances existing on the Trade Date) to perform such action.

(II) If the Settlement Currency specified in the applicable Final Terms is a Relevant Currency (as defined below), "FX Settlement Disruption Event" will apply, and:

(i) If, on the second Business Day prior to the Disrupted Payment Date, the Calculation Agent (in its sole and absolute discretion) determines that a FX Settlement Disruption Event has occurred and is subsisting, the Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the

Noteholders in accordance with Condition 16 as soon as reasonably practicable thereafter and, in any event, prior to the relevant Disrupted Payment Date.

(ii) Following the occurrence of a FX Settlement Disruption Event:

(A) the date for payment of the relevant Disrupted Amount will be postponed to the earlier of (i) the second Business Day following the date on which the Calculation Agent determines that a FX Settlement Disruption Event is no longer subsisting and (ii) the date falling thirty calendar days following the scheduled due date for payment of the relevant Disrupted Amount (the "**FX Settlement Disruption Cut-off Date**") which, for the avoidance of doubt, may be later than the scheduled Maturity Date; and

(B) (i) in the case of (A)(i) above, the Issuer will pay the relevant Disrupted Amount, less FX Settlement Disruption Expenses (if any) in the Settlement Currency specified in the applicable Final Terms or in the case of (A)(ii) above, in lieu of paying the relevant Disrupted Amount in the relevant Settlement Currency, the Issuer will, subject to sub-paragraph (iii) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency specified in the applicable Final Terms (using the FX Settlement Disruption Exchange Rate for the relevant Disrupted Payment Date) and will pay the relevant Disrupted Amount, less FX Settlement Disruption Expenses (if any) in the FX Settlement Disruption Currency on the FX Settlement Disruption Cut-off Date.

(iii) If sub-paragraph (ii)(A)(ii) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate in its sole and absolute discretion in accordance with the following procedures:

(A) the FX Settlement Disruption Exchange Rate shall be the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) on such day; or

(B) if fewer than two leading dealers provide the Calculation Agent with bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates on such day, the Calculation Agent shall determine the FX Settlement Disruption Exchange Rate in its discretion.

(iv) This Condition 4(a)(II) shall not apply to Dual Currency Notes.

(v) For the avoidance of doubt, no Interest Period will be adjusted as a result of the postponement of any interest payment pursuant to this Condition 4(a), and no additional interest will be paid in respect of any postponement of the date for payment.

(vi) For the avoidance of doubt, nothing contained in this Condition 4(a)(II) shall prevent the Issuer from determining that an Additional Disruption Event and/or Optional Additional Disruption Event has occurred, in which case, the provisions of Condition 9 shall prevail in the event of any conflict between this Condition 4(a)(II) and Condition 9.

(vii) For these purposes:

"**Disrupted Amount**" means the relevant Interest Amount, Final Redemption Amount or such other amount payable (if any);

"**Disrupted Payment Date**" means the due date for payment of the relevant Disrupted Amount;

"**FX Settlement Disruption Currency**" means USD;

"**FX Settlement Disruption Event**" means the occurrence of an event which makes it unlawful, impossible or otherwise impracticable to pay any Disrupted Amount in the Settlement Currency on the scheduled due date for payment;

"**FX Settlement Disruption Exchange Rate**" means the rate of exchange between the Settlement Currency (as specified in the applicable Final Terms) and the FX Settlement Disruption Currency, determined by the Calculation Agent in accordance with the provisions of sub-paragraph (iii) above;

"**FX Settlement Disruption Expenses**" means the sum of (i) the cost to the Issuer and/or its Affiliates of unwinding any hedging arrangements related to the Securities and (ii) any transaction, settlement or other costs and expenses arising directly out of the occurrence of a FX Settlement Disruption Event or the related payment of the Disrupted Amount, all as determined by the Calculation Agent in its sole and absolute discretion; and

"**Relevant Currency**" means each of Emirati Dirhams ("**AED**"), Argentinian Pesos ("**ARS**"), Australian Dollars ("**AUD**"), Bermudan Dollars ("**BMD**"), Bulgarian Leva ("**BGN**"), Bahraini Dinars ("**BHD**"), Botswana Pula ("**BWP**"), Brazilian Reais ("**BRL**"), Canadian Dollars ("**CAD**"), Swiss Francs ("**CHF**"), Chilean Pesos ("**CLP**"), Czech Republic Korun ("**CZK**"), Danish Kroner ("**DKK**"), Great British Pounds ("**GBP**"), Ghanaian Cedis ("**GHS**"), Hong Kong Dollars ("**HKD**"), Croatian Kuna ("**KRJ**"), Hungarian Forints ("**HUF**"), Indonesian Rupiah ("**IDR**"), Israeli Shekels ("**ILS**"), Icelandic Krónur ("**ISK**"), Jordanian Dinars ("**JOD**"), Japanese Yen ("**JPY**"), Kenyan Shillings ("**KES**"), Kuwaiti Dinars ("**KWD**"), Kazakhstani Tenges ("**KZT**"), Lebanese Pounds ("**LBP**"), Moroccan Dirhams ("**MAD**"), Mauritian Rupees ("**MUR**"), Mexican Pesos ("**MXN**"), Malaysian Ringgits ("**MYR**"), Namibian Dollars ("**NAD**"), Nigerian Naira ("**NGN**"), Norwegian Kroner ("**NOK**"), New Zealand Dollars ("**NZD**"), Omani Riyals ("**OMR**"), Peruvian Nuevos Soles ("**PEN**"), Philippine Pesos ("**PHP**"), Polish Zloty ("**PLN**"), Qatari Riyals ("**QAR**"), Romanian Lei ("**RON**"), Russian Roubles ("**RUB**"), Saudi Riyals ("**SAR**"), Swedish Kronor ("**SEK**"), Singaporean Dollars ("**SGD**"), Thai Baht ("**THB**"), Tunisian Dinars ("**TND**"), Turkish Lire ("**TRY**") and South African Rand ("**ZAR**").

Notwithstanding the foregoing, payments in respect of Notes denominated and payable in U.S. dollars will be made at the specified office of the Principal Paying Agent in the United States if (a) the Issuer shall have appointed a Principal Paying Agent with specified offices outside the United States with the reasonable expectation that such Principal Paying Agent would be able to make payment at such specified offices outside the United States of the full amount due on the Notes in the manner provided above when due and (b) payment of the full amount due at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions.

Notwithstanding the foregoing, payments in respect of Notes denominated and payable in CNY will be made solely by transfer to a CNY bank account maintained in the CNY Settlement Centre(s) in accordance with prevailing rules and regulations.

If any date for payment of any amount in respect of any Note is not a Payment Day, then the holder thereof shall not be entitled to payment of the amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay.

For these purposes, "**Payment Day**" means any day which (subject to Condition 13) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;

(B) each Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

(ii) if TARGET2 System is specified as a Financial System in the applicable Final Terms, a day on which the TARGET2 System is open; and

(iii) in relation to any sum payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre(s).

If the determination of any amount (whether in respect of principal, interest or otherwise) due in respect of the Notes on an Interest Payment Date, Instalment Date, early redemption date or the Maturity Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling after the day that is two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date, Instalment Date, early redemption date or the Maturity Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest or other amount shall be payable on the Notes in respect of such delay.

The name of the initial Principal Paying Agent and its initial specified office is set out below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other paying agents and/or to approve any change in the specified office of the Principal Paying Agent, provided that:

(i) so long as any Notes are listed on any stock exchange, there will at all times be a paying agent, which may be the Principal Paying Agent with a specified office in the place required by the rules and regulations of the relevant stock exchange; and

(ii) there will at all time be a Principal Paying Agent which will at all times be a paying agent in a jurisdiction within continental Europe other than the jurisdiction of the Issuer; and

(iii) the Issuer undertakes that it will ensure that it maintains a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, other than the jurisdiction in which the Issuer or Guarantor are incorporated.

In addition, the Issuer shall immediately appoint a paying agent having a specified office in New York City in the circumstances described in Condition 4(a). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice shall have been given to the Noteholders in accordance with Condition 16.

Payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6, (ii)

any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto, and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.

(b) ***Physical Delivery***

(i) *Physical Delivery*

(A) Delivery

Delivery of the Entitlement(s) in respect of Notes in the form of Intermediated Securities will be made to the Holders on the due date for such delivery and in accordance with the rules and procedures applied by SIS from time to time.

The Issuer or, failing which, the Guarantor, shall procure the delivery or, in the case of Credit Securities, Delivery of any Entitlement(s) for each Note due to the Holders to the Principal Paying Agent. Upon receipt by the Principal Paying Agent of the due and punctual delivery of such Entitlement(s) in Switzerland, the Issuer and Guarantor shall be discharged from its obligations to Holders under such Notes to the extent that such Entitlement has been received by the Principal Paying Agent as of such date.

The Entitlement will be delivered at the risk of the relevant Noteholder in the manner provided below on the date fixed for redemption (such date, subject to adjustment in accordance with this Condition, the "**Delivery Date**") or in the case of Credit Securities Delivered at the risk of the relevant Noteholder, in the manner provided below on the Delivery Date (as defined in the Credit Security Conditions).

All costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes ("**Expenses**") arising from the delivery of the Entitlement or the Delivery of the Deliverable Obligations, obligations and/or other assets comprising the Entitlement, as the case may be, in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Entitlement or the Delivery of the Deliverable Obligations, obligations and/or other assets comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

(B) General

If Aggregation is specified as applicable in the applicable Final Terms, Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Notes. The Entitlement or aggregate Entitlements in respect of the same Noteholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Noteholder.

Following the Delivery Date of a Share or ETI Interest all dividends on the relevant Shares or ETI Interest to be delivered will be payable to the party that would receive

such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Noteholder will be paid to the Noteholder in accordance with the rules and procedures applied by SIS from time to time.

For such period of time after delivery or Delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities or Deliverable Obligations, obligations and/or other assets comprising the Entitlement (the "**Intervening Period**"), none of the Issuer, the Guarantor, the Principal Paying Agent, any Delivery Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations, assets or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations, assets or Deliverable Obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations, assets or Deliverable Obligations.

(C) Settlement Disruption

The provisions of this Condition 4(b)(i)(C) apply to Notes other than Credit Securities.

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Redemption Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 16. Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 that a Settlement Disruption Event has occurred. No

Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

"**Disruption Cash Redemption Amount**", in respect of any relevant Note, shall be the fair market value of such Note (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets) less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms; and

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent or, if the proviso in Condition 2.2(b) applies, the Guarantor, an event beyond the control of the Issuer or the Guarantor, as the case may be, as a result of which the Issuer or the Guarantor, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(D) Failure to Deliver due to Illiquidity

The provisions of this Condition 4(b)(i)(D) apply to the Notes other than Credit Securities.

If "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms and in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the "**Affected Relevant Assets**") comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

I. subject as provided elsewhere in the Terms and Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated date of redemption in accordance with this Condition 4(b); and

II. in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Failure to Deliver Redemption Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 16. Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 that the provisions of this Condition 4(b)(i)(D) apply.

For the purposes hereof, "**Failure to Deliver Redemption Amount**" in respect of any relevant Note shall be the fair market value of such Note (taking into account, the

Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

(E) Additional Provisions for Credit Securities

In the case of Credit Securities, the provisions contained in Annex 10 – "Additional Terms and Conditions for Credit Securities" shall apply.

(ii) *Variation of Settlement*

(A) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may at its sole and absolute discretion in respect of each such Note, elect not to pay the relevant Noteholders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Noteholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders, as the case may be. Notification of such election will be given to Noteholders in accordance with Condition 16.

(B) If specified in the applicable Final Terms, the Issuer shall, in respect of each Note, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Noteholders, make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders.

(iii) *Issuer's Option to Substitute Assets or to pay the Alternate Cash Redemption Amount*

Notwithstanding any provision of these Conditions to the contrary, the Issuer may, in its sole and absolute discretion in respect of such Notes, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares or ETI Interests which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or ETI Interests which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Noteholders, but in lieu thereof to make payment to the relevant Noteholder on the Delivery Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Redemption Amount**"). Notification of any such election will be given to Noteholders in accordance with Condition 16 and in the event that the Issuer elects to pay the Alternate Cash Redemption Amount such notice shall give details of the manner in which such amount shall be paid.

For purposes hereof, a "**freely tradable**" share or an ETI Interest shall mean (i) with respect to the United States, a share or an ETI Interest, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or an ETI Interest, as the case may be, and not purchased from an affiliate of the issuer of such share or an ETI Interest, as the case may be, or which otherwise meets the requirements of a freely tradable share or an ETI Interest, as the case may be, for purposes of

the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or an ETI Interest, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

(iv) *Rights of Noteholders and Calculations*

None of the Issuer, the Guarantor, the Calculation Agent, any Delivery Agent and the Agents shall have any responsibility for any errors or omissions in any calculation or determination in respect of the Notes.

The purchase of Notes does not confer on any holder of such Notes any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(v) *Commodity Securities*

Commodity Securities shall not be redeemed by physical delivery and the provisions of this Condition 4(b) shall not apply to Commodity Securities.

(c) ***FX Disruption Event***

(i) If on (A) any Settlement Currency Exchange Rate Observation Date or (B) (other than in the case of a FX Disruption Event which is a Dual Exchange Rate Event, Illiquidity Disruption or an Unscheduled Holiday) if a Specified Exchange Rate is specified in the applicable Final Terms, the second Business Day prior to the due date for payment of any amount calculated using such Specified Exchange Rate, the Calculation Agent determines that a FX Disruption Event has occurred and is subsisting it will give notice (an "**FX Disruption Notice**") to the Noteholders in accordance with Condition 16 as soon as reasonably practicable thereafter and, in any event, prior to the relevant due date for payment of the relevant amount to be calculated using such Settlement Currency Exchange Rate or Specified Exchange Rate, as applicable.

(ii) Following the occurrence of a FX Disruption Event:

(A) the date for payment of the relevant amount to be calculated using the Settlement Currency Exchange Rate or Specified Exchange Rate, as applicable, will be postponed to the earlier of (i) the second Business Day following the date on which the Calculation Agent determines that a FX Disruption Event is no longer subsisting or (ii) the day falling thirty (30) calendar days following the scheduled due date for payment of such amount (the "**Postponed DE Payment Date**"), which, for the avoidance of doubt, may be later than the scheduled Maturity Date; and

(B) (i) in the case of (A)(i) above, the Issuer will pay the relevant amount in the Settlement Currency on the Postponed DE Payment Date or (ii) in the case of (A)(ii) above, subject to paragraphs (iii), (iv) and (v) below, in lieu of paying the relevant amount in the Settlement Currency, the Issuer will pay the relevant unconverted amount in the Specified Currency (each a "**Specified Currency Amount**") on the Postponed DE Payment Date.

(iii) If the Issuer elects to pay the Specified Currency Amount as provided in paragraph (ii)(B) above it may (but is not obliged to) give notice to the Noteholders in accordance with Condition 16 (an "**Issuer Account Information Notice**") requesting from each Noteholder such information as it deems appropriate in order to pay the Specified Currency Amount to such Noteholder (including, *inter alios*, account information into which in the determination of the Calculation Agent the Specified Currency Amount may be paid). Upon receipt of an Issuer

Account Information Notice, each Noteholder must deliver to the Calculation Agent in accordance with paragraph (vi) below with a copy to the Principal Paying Agent a notice (a "**Noteholder Account Information Notice**") not later than 20 calendar days following receipt of the Issuer Account Information Notice (the "**Account Information Cut-off Date**") specifying details of an account in which, in the determination of the Calculation Agent, the relevant Specified Currency Amount may be paid. If any Noteholder fails to deliver a valid Noteholder Account Information Notice by the Account Information Cut-off Date, the Issuer will pay or cause to be paid the relevant Specified Currency Amount as soon as practicable following receipt of the relevant Noteholder Account Information Notice, Provided That if any Noteholder fails to deliver a Noteholder Account Information Notice prior to the fortieth calendar day following deemed receipt of the Issuer Account Information Notice, then the Issuer shall be discharged from its obligation to pay to such Noteholder the Specified Currency Amount and shall have no further obligation or liability whatsoever in respect thereof.

(iv) In the event that the Calculation Agent determines that it is unlawful, impossible or otherwise impracticable to pay any Specified Currency Amount (other than as a result of the failure to deliver a Noteholder Account Information Notice, if applicable) on the due date for payment thereof (a "**Non-Transferability Event**"), the Issuer shall notify the Noteholders in accordance with Condition 16 that such due date for payment has been postponed until the first date on which in the opinion of the Calculation Agent the relevant Non-Transferability Event is no longer subsisting.

(v) Notwithstanding paragraphs (ii) to (iv) above, the Calculation Agent acting in a commercially reasonable manner may make such adjustment to the Conditions and/or the applicable Final Terms as it determines to be necessary or desirable to reflect or account for any market practice that develops in respect of the relevant FX Disruption Event. Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 16 stating the adjustment to the Conditions and/or the applicable Final Terms.

(vi) Any Noteholder Account Information Notice from a Noteholder to the Calculation Agent will be validly given if delivered in writing to the Calculation Agent at the address specified for such purposes in the applicable Final Terms. Any such notice shall be deemed to have been given on the day when delivered or if delivered after 5.00 p.m. (Zurich time) on any day or on any day on which commercial banks were not open for business in Zurich, the first day thereafter on which commercial banks are open for business in Zurich. The relevant Noteholder must provide satisfactory evidence to the Calculation Agent of its holding of the relevant Notes.

(vii) For the avoidance of doubt, no Interest Period will be adjusted as a result of the postponement of any interest payment pursuant to this Condition 4(c), and no additional interest will be paid in respect of any postponement of the date for payment.

(viii) For these purposes "**FX Disruption Event**" means the occurrence of any of the following events:

(A) an Inconvertibility Event;

(B) a Dual Exchange Rate Event;

(C) an Illiquidity Disruption; or

(D) an Unscheduled Holiday.

Where:

"**Dual Exchange Rate Event**" means, with respect to any Settlement Currency Exchange Rate that the Settlement Currency Exchange Rate or any component rate of exchange thereof splits into dual or multiple currency exchange rates.

"**Illiquidity Disruption**" means, in relation to a Settlement Currency Exchange Rate, the occurrence of an event on a Settlement Currency Observation Date (or, if different, the day on which rates for that Settlement Currency Observation Date would, in the ordinary course, be published or announced by the relevant price source) which makes it impossible to obtain a firm quote of the Settlement Currency Exchange Rate for an amount to be determined by the Calculation Agent (either in one transaction or a commercially reasonable number of transactions that, when taken together, total such amount determined by the Calculation Agent);

"**Inconvertibility Event**" means the occurrence of any event or existence of any condition that has the effect of it being impossible, illegal or impracticable for, or has the effect of prohibiting, restricting or materially delaying the ability of the Issuer and/or any of its Affiliates (I) to convert the Specified Currency into the Settlement Currency through customary legal channels; (II) to effect currency transactions on terms as favourable as those available to residents of the Reference Jurisdiction; or (III) to freely and unconditionally transfer or repatriate funds (in the Specified Currency or the Settlement Currency) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or between accounts inside the Reference Jurisdiction.

"**Reference Jurisdiction**" means the jurisdiction specified as such in the applicable Final Terms.

"**Unscheduled Holiday**" means, in respect of any Settlement Currency Exchange Rate Observation Date, any date on which such date is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9.00 a.m. local time in the principal financial centre of the Specified Currency or Settlement Currency (which, if the Specified Currency or Settlement Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) two Business Days prior to such day.

5. REDEMPTION AND PURCHASE

5.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note (other than a Credit Security) will be redeemed by the Issuer at its relevant Final Redemption Amount on the Maturity Date (in each case, as specified in the applicable Final Terms) or, if the Notes are Physical Delivery Notes by delivery of the Entitlement (as provided in Condition 4(b) above) or (in the care of a Credit Security) at the relevant amount and/or by delivery as specified in the Credit Security Condition. This Note may not be redeemed other than in accordance with these Conditions.

If the Notes are Dual Currency Redemption Notes, the Final Redemption Amount will be converted into the Settlement Currency as provided in Condition 5.11 below.

The "**Entitlement**" shall be the quantity of the Relevant Asset(s) equal to the Entitlement Amount specified in the applicable Final Terms.

5.2 **Redemption for Taxation Reasons**

The provisions of this Condition 5.2 shall not apply in the case of Notes if Condition 6.2 is specified as applicable in the applicable Final Terms.

(i) If the Issuer or the Guarantor would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France (in the case of payments by BNPP) or the Netherlands (in the case of payments by BNPP B.V.) or, in each case, any other authority thereof or therein be required to pay additional amounts as provided in Condition 6, the Issuer may at its option at any time (in the case of Notes other than Floating Rate Notes, Linked Interest Notes, or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Linked Interest Notes or Dual Currency Interest Notes) on giving not more than 45 nor less than 30 days' notice to the Noteholders (in accordance with Condition 16) which notice shall be irrevocable, redeem all, but not some only, of the Notes at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding for such taxes.

(ii) If the Issuer or the Guarantor would, on the next due date for payment of any amount in respect of the Notes, be prevented by French law (in the case of payments by BNPP) or Dutch law (in the case of payments by BNPP B.V.), from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 6, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and shall at any time (in the case of Notes other than Floating Rate Notes, Linked Interest Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Linked Interest Notes or Dual Currency Interest Notes) redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, upon giving not less than 7 nor more than 45 days' prior notice to the Noteholders (in accordance with Condition 16), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or, if such date is already past, as soon as practicable thereafter.

5.3 **Redemption at the Option of the Issuer (Issuer Call Option)**

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may having given not less than 15 nor more than 30 days' notice (or such other period specified in the applicable Final Terms (the "**Notice Period**")) to the Noteholders in accordance with Condition 16, (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any date fixed for redemption as specified in the applicable Final Terms (the "**Optional Redemption Date**") and at the amount at (the "**Optional Redemption Amount**") specified in or determined on the date (the "**Optional Redemption Valuation Date**") and in the manner specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any partial redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected in accordance with the rules of SIS. The aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes.

5.4 **Redemption at the Option of the Noteholders (Noteholder Put Option)**

If Noteholder Put Option is specified in the applicable Final Terms, upon a Noteholder giving to the Issuer in accordance with Condition 16 not less than 15 nor more than the 30 days' notice (or such other period specified in the applicable Final Terms (the "**Notice Period**")) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on any date fixed for redemption as specified in the applicable Final Terms (the "**Optional Redemption Date**") and at an amount (the "**Optional Redemption Amount**") specified in or determined on the date (the "**Optional Redemption Valuation Date**") and in the manner specified in the applicable Final Terms, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as specified in the applicable Final Terms).

If a Note is represented by a Global Note and held through SIS, to exercise the right to require redemption of this Note the relevant Noteholder must, within the Notice Period, give notice to the Principal Paying Agent concerned of such exercise in accordance with the standard procedures of SIS (which may include notice being given on his instruction by SIS for them to the Principal Paying Agent by electronic means) in a form provided by the Principal Paying Agent and acceptable to SIS from time to time and, if a Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice given by a Noteholder pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 8.

5.5 **Early Redemption**

For the purposes of paragraph 5.2 above, Condition 8 and any circumstances where the Notes are to be redeemed prior to their Maturity Date at their Early Redemption Amount (as defined below), each Note will be redeemed at an amount (the "**Early Redemption Amount**") calculated as follows, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable:

(a) in the case of a Note (other than a Zero Coupon Note or a Note whose Early Redemption Amount is linked to an index, a formula or other Underlying Reference) with a Final Redemption Amount equal to its nominal amount, at the Final Redemption Amount thereof; or

(b) in the case of a Note with a Final Redemption Amount or interest, coupon, premium or other interim payment which is linked to an index, a formula or other Underlying Reference, at the percentage of the Calculation Amount specified in the applicable Final Terms or, if "Market Value less Costs" is specified in the applicable Final Terms at the fair market value less associated costs; or

(c) in the case of a Zero Coupon Note the Early Redemption Amount of which is not linked to an index, a formula or other Underlying Reference at an amount (the "**Amortised Face Amount**") equal to the sum of:

(i) the Reference Price specified in the applicable Final Terms; and

(ii) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed in such incomplete month.

5.6 **Purchases**

The Issuer, the Guarantor or any of their respective subsidiaries may, but is not obliged to, at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or surrendered for cancellation.

5.7 **Cancellation**

All Notes which are redeemed or purchased by the Issuer to be cancelled will forthwith be cancelled and accordingly may not be re-issued or resold.

5.8 **Instalments**

Each Note which is redeemable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Final Terms.

5.9 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph 5.2, 5.3 or 5.4 above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph 5.5(c) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(b) the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16.

5.10 **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition 5.

5.11 **Dual Currency Redemption Notes**

If the Notes are specified in the applicable Final Terms as Dual Currency Redemption Notes, any amount payable on the redemption of the Notes will be converted into the Settlement Currency at the Specified Exchange Rate specified in the applicable Final Terms or, if no Specified Exchange Rate is specified, the Settlement Currency Exchange Rate on the relevant Settlement Currency Exchange Rate Observation Date.

References to "principal" in this Condition 5.11 shall be deemed to include, as applicable:

(a) any additional amounts which be payable with respect to principal under Condition 6;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) the Instalment Amounts;

(f) the Automatic Early Redemption Amount (if any) of the Notes;

(g) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5.5); and

(h) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

6. TAXATION

6.1 Notes issued

Subject to Condition 6.2, all payments in respect of Notes, or under the relevant Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In the event that any amounts are required to be deducted or withheld for, or on behalf of, any Tax Jurisdiction, the Issuer or, as the case may be, the Guarantor shall, to the fullest extent permitted by law, pay such additional amount as may be necessary, in order that each Noteholder after deduction or withholding of such taxes, duties, assessments or governmental charges, will receive the full amount then due and payable provided that no such additional amount shall be payable with respect to any Note:

(a) that is held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his being connected with the Netherlands (in the case of payments by BNPP B.V.) or France (in the case of payments by the Guarantor) other than by the mere holding of such Note; or

(b) presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4(a)); or

(c) where such withholding or deduction is imposed on a payment to an individual beneficial owner or a residual entity and is required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union.

6.2 No Gross-up

If Condition 6.2 is specified as applicable in the applicable Final Terms, neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer or the Guarantor shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

6.3 **Definitions**

In these Terms and Conditions:

(a) **Tax Jurisdiction** means France or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP as Guarantor) or the Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP B.V.); and

(b) the **Relevant Date** means the date on which the relevant payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

7. REDENOMINATION

7.1 **Redenomination**

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, on giving prior notice to the Principal Paying Agent and SIS and at least 30 days' prior notice to the Noteholders in accordance with Condition 16 (and in accordance with the standard procedures of SIS), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Principal Paying Agent of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented for payment by the relevant Noteholder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;

(d) after the Redenomination Date, all payments in respect of the Notes other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Settlement Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(e) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a Fixed Interest Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

(f) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(g) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

7.2 **Definitions**

In these Conditions, the following expressions have the following meanings:

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph 7.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

8. EVENTS OF DEFAULT AND ENFORCEMENT

8.1 **Events of Default**

A Noteholder may give written notice to the Issuer and the Principal Paying Agent that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with interest accrued to the date of repayment, in any of the following events ("**Events of Default**"):

(i) the Issuer fails to pay any amount payable in respect of the Notes or any of them when due and payable and such default is not remedied within 30 days after the relevant due date; or

(ii) the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Notes and such default is not remedied within 45 days after notice of such default has been given to the Principal Paying Agent by any Noteholder; or

(iii) BNPP ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of BNPP or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer or Guarantor is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer or Guarantor makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer or Guarantor for its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's or the Guarantor's assets are transferred to, and all of the Issuer's or Guarantor's debts and

liabilities (including the Notes) are assumed by, another entity which continues the Issuer's or Guarantor's activities.

9. ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS

9.1 Definitions

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption, unless otherwise specified otherwise in the applicable Final Terms;

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity;

"**Cancellation Event**" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Notes;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

(a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Debt Instrument (in the case of Debt Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or

(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any Hedge;

"**Currency Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Specified Currency or Settlement Currency, as applicable, or exchange or repatriate any funds in the Local Currency or the Specified Currency or Settlement Currency, as applicable, outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Notes;

"**Force Majeure Event**" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Notes is prevented or materially hindered or delayed due to:

(a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or

(b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or

(c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates, of all or substantially all of its assets in the Local Currency/relevant jurisdiction;

"**Government Authority**" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"**Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Notes;

"**Hedging Shares**" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes;

"**Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

"**Increased Cost of Stock Borrow**" means that the Issuer and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) or a security/commodity comprised in a Custom Index (in the case of Custom Index Securities) that is greater than the Initial Stock Loan Rate;

"**Initial Stock Loan Rate**" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), or a security/commodity comprised in a Custom Index (in the case of Custom Index Securities) the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"**Insolvency Filing**" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"**Jurisdiction Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Notes or in respect of any relevant hedging arrangements in connection with the Notes (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Notes) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"**Loss of Stock Borrow**" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"**Maximum Stock Loan Rate**" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), or a security or commodity comprised in a Custom Index (in the case of Custom Index Securities) the Maximum Stock Loan Rate specified in the applicable Final Terms;

"**Optional Additional Disruption Event**" means any of Cancellation Event, Currency Event, Force Majeure Event, Jurisdiction Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"**Stop-Loss Event**" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent;

"**Trade Date**" has the meaning given to it in the applicable Final Terms.

9.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

(a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;

(b) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Noteholders in accordance with Condition 16, redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16; or

(c) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Calculation Amount; or

(d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Noteholders in accordance with Condition 16 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Notes and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or

(e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

Initial Price = A×(B/C)

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "Substitution Date") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant date of the Additional Disruption Event and/or Optional Additional Disruption Event.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

(i) is not already included in the Basket of Shares;

(ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and

(iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

9.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto

10. KNOCK-IN EVENT AND KNOCK-OUT EVENT

10.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

10.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

10.3 In respect of Index Securities, Share Securities, Debt Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Notes other than Custom Index Securities or Debt Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Notes or Debt Securities, a Custom Index Disruption Event or Market Disruption Event, as applicable, is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Custom Index Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

10.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such day being a Commodity Disrupted Day or a Disrupted Day, as the case may be or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

10.5 In respect of Notes other than Custom Index Securities or Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Notes other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the

Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

10.6 In respect of Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the exchange on which the relevant Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded and if on any Knock-in Determination Day or Knock-out Determination Day and at any time at which the Level triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event has occurred or is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

10.7 Definitions relating to Knock-in Event/Knock-out Event

"**Knock-in Determination Day**" means the dates specified as such in the applicable Final Terms;

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

"**Knock-in Event**" means:

(a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or

(b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms;

"**Knock-in Level**" means the level, price, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Futures Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Scheduled Custom Index Business Day (in the case of

Custom Index Securities) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Scheduled Custom Index Business Day or Business Day, as the case may be;

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Futures Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Scheduled Custom Index Business Day (in the case of Custom Index Securities) or a Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Scheduled Custom Index Business Day or Business Day, as the case may be;

"**Knock-in Range Level**" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"**Knock-out Determination Day**" means the dates specified as such in the applicable Final Terms;

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

"**Knock-out Event**" means:

(a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or

(b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"**Knock-out Level**" means the level, price, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-out Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Futures Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities) or a Scheduled Custom Index Business Day (in the case of Custom Index Securities) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Scheduled Custom Index Business Day or Business Day, as the case may be;

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share

Securities, ETI Securities, Futures Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Scheduled Custom Index Business Day (in the case of Custom Index Securities), or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Scheduled Custom Index Business Day or Business Day, as the case may be;

"**Knock-out Range Level**" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-out Valuation Time**" means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time;

"**Level**" means, for the purposes of this Condition 10, (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case determined by the Calculation Agent as of the Knock-in Valuation Time or Knock-out Valuation Time on any Knock-in Determination Day or Knock-out Determination Day, as applicable;

"**Relevant Adjustment Provisions**" means:

(a) in the case of Index Securities, Index Security Condition 2 (*Market Disruption*) and Index Security Condition 3 (*Adjustments to an Index*);

(b) in the case of Custom Index Securities, Index Security Condition 6 (*Adjustments to a Custom Index and Custom Index Disruption*);

(c) in the case of Share Securities, Share Security Condition 2 (*Market Disruption*), Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 4 (*Extraordinary Events*);

(d) in the case of ETI Securities, ETI Security Condition 2 (*Market Disruption*) and ETI Security Condition 3 (*Potential Adjustment Events*);

(e) in the case of Commodity Securities, Commodity Security Condition 2 (*Market Disruption*) and Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

(f) in the case of Currency Securities, Currency Security Condition 2 (*Disruption Events*) and Currency Security Condition 3 (*Consequences of a Disruption Event*);

(g) in the case of Futures Securities, Futures Security Condition 3 (*Adjustments to a Future*); and

(h) in the case of Debt Securities, Debt Security Condition 3 (*Market Disruption*), Debt Security Condition 4 (*Correction of Debt Instrument Price*) and Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*); and

"**Underlying Reference**" means, for the purposes of this Condition 10, each Index, Custom Index, Share, Debt Instrument, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Notes relate.

11. AUTOMATIC EARLY REDEMPTION EVENT

11.1 If "Automatic Early Redemption" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on (i) any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date at an amount equal to the relevant Automatic Early Redemption Amount.

11.2 Definitions

"**Automatic Early Redemption Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, the amount specified in the applicable Final Terms or if not set out an amount equal to the product of (i) the sum of the relevant Automatic Early Redemption Percentage and the Calculation Amount and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date provided that, if the resultant figure is zero, no amount shall be payable on the redemption of the Notes pursuant to this Condition;

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay;

"**Automatic Early Redemption Event**" means:

(a) in respect of a Single Underlying Reference, the Underlying Reference Level is; or "greater than", "greater than or equal to", "less than" or "less than or equal to" the Automatic Early Redemption Level specified in the applicable Final Terms;

(b) in respect of a Basket, the Basket Price is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"**Automatic Early Redemption Level**" means the level, price, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**Automatic Early Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**AER Automatic Early Redemption Rate**" means the rate specified as such or determined in the manner set out in the applicable Final Terms;

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, Debt Securities, Futures Securities or ETI Securities), a Scheduled Custom Index Business Day (in respect of Custom Index Securities), a Commodity Business Day (in respect of Commodity Securities) or Business Day (in the case of other Notes), as applicable, the next following Scheduled Trading Day, Scheduled Custom Index Business Day, Commodity Business Day or Business Day, as applicable, unless, in the case of Index Securities, Share Securities, Commodity Securities, Debt Securities, Futures Securities or ETI Securities, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index

Securities (other than Custom Index Securities), Share Securities, Debt Securities, Futures Securities or ETI Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Automatic Early Redemption Valuation Date". For the purposes of the Relevant Adjustment Provisions, any references to "Valuation Date" shall be deemed to refer to "Automatic Early Redemption Valuation Date";

"**Automatic Early Redemption Valuation Period**" means the period (if any) specified as such in the applicable Final Terms;

"**Automatic Early Redemption Valuation Time**" means the time specified as such in the applicable Final Terms;

"**Basket of Underlying References**" means, for the purposes of this Condition 11, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Instruments, Basket of Commodities, Basket of Futures or other basis of reference to which the value of the relevant Notes may relate, as specified in the applicable Final Terms;

"**Basket Price**" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference comprising the Basket as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"**Relevant Adjustment Provisions**" means:

(a) in the case of Index Securities, Index Security Condition 2 (*Market Disruption*) and Index Security Condition 3 (*Adjustments to an Index*);

(b) in the case of Custom Index Securities, Index Security Condition 6 (*Adjustments to a Custom Index and Custom Index Disruption*);

(c) in the case of Share Securities, Share Security Condition 2 (*Market Disruption*), Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 4 (*Extraordinary Events*);

(d) in the case of ETI Securities, ETI Security Condition 2 (*Market Disruption*) and ETI Security Condition 3 (*Potential Adjustment Events*);

(e) in the case of Commodity Securities, Commodity Security Condition 2 (*Market Disruption*), Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) and Commodity Security Condition 4 (*Adjustments to a Commodity Index*);

(f) in the case of Currency Securities, Currency Security Condition 3 (*Consequences of a Disruption Event*);

(g) in the case of Futures Securities, Futures Security Condition 3 (*Adjustments to a Future*); and

(h) in the case of Debt Securities, Debt Security Condition 3 (*Market Disruption*), Debt Security Condition 4 (*Correction of Debt Instrument Price*) and Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*);

"**Underlying Reference**" means, for the purposes of this Condition 11, each Index, Custom Index, Share, ETI Interest, Debt Instrument, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Notes relate; and

"**Underlying Reference Level**" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), (e) in the case of an Inflation Index, the Relevant Level, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such Automatic Early Redemption Valuation Date.

12. DEFINITIONS

"**Averaging Date**" means:

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Futures Securities or Debt Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant value, level, price or amount provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:

(A) where the Notes are Index Securities relating to a single Index (other than a single Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant value, level price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and

(B) where the Notes are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for the Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(ii) of the definition of "Valuation Date" below;

(C) where the Notes are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares or ETI Securities relating to an ETI Basket or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share or ETI Interest not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant value, level, price or amount for that Averaging Date in accordance with subparagraph (a)(iii) of the definition of "Valuation Date" below; or

(D) where the Notes are Index Securities relating to a Basket of Component Security Indices, the Averaging Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) shall apply.

"**Account Information Cut-off Date**" has the meaning given to such term in Condition 4(c).

"**Commodity Exchange Act**" means the United States Commodity Exchange Act of 1936, as amended;

"**Disrupted Amount**" has the meaning given to such term in Note Condition 4(a).

"**Disrupted Payment Date** has the meaning given to such term in Note Condition 4(a).

"**Dual Exchange Rate Event**" has the meaning given to such term in Condition 4(c).

"**FX Disruption Event**" has the meaning given to such term in Condition 4(c).

"**FX Disruption Notice**" has the meaning given to such term in Condition 4(c).

"**FX Settlement Disruption Currency**" is as defined in Note Condition 4(a)(II).

"**FX Settlement Disruption Cut-off Date**" is as defined in Note Condition 4(a)(II).

"**FX Settlement Disruption Event**" is as defined in Note Condition 4(a)(II).

"**FX Settlement Disruption Exchange Rate**" is as defined in Note Condition 4(a)(II).

"**FX Settlement Disruption Notice**" is as defined in Note Condition 4(a)(II).

"**Illiquidity Disruption**" has the meaning given to such term in Condition 4(c).

"**Inconvertibility Event**" has the meaning given to such term in Condition 4(c).

"**Issuer Account Information Notice**" has the meaning given to such term in Condition 4(c).

"**Non-Transferability Event**" has the meaning given to such term in Condition 4(c).

"**Noteholder Account Information Notice**" has the meaning given to such term in Condition 4(c).

"**Observation Date**" means each date specified as an Observation Date in the applicable Final Terms or if any such date is not a Scheduled Trading Day (in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Futures Securities or Debt Securities) or Commodity Business Day (in the case of Commodity Securities), the immediately following Scheduled Trading Day or Commodity Business Day, as applicable. The provisions contained in the definition of "Averaging Date" shall apply if any such day is a Disrupted Day or, in the case of Commodity Securities, a day on which a Market Disruption Event has occurred or is continuing, *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date" unless Observation Day Disruption Consequences is specified as not applicable in the applicable Final Terms, in which case such date will be an Observation Date notwithstanding the occurrence of a Disrupted Day and (i) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Futures Securities or Debt Securities, the provisions of (a)(i)(B), (a)(ii), (a)(iii)(B) or (a)(iv), as applicable, of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on such Observation Date as if such Observation Date were a Valuation Date that was a Disrupted Day or (ii) in the case of Commodity Securities the provisions of Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) will apply.

"**Observation Period**" means the period specified as the Observation Period in the applicable Final Terms.

"**Postponed DE Payment Date**" has the meaning given to such term in Condition 4(c).

"**Price Materiality Event**" means that, in respect of the determination of any Settlement Currency Exchange Rate, the Calculation Agent determines that the rate derived at the relevant time from the source specified in the Final Terms differs from the rate that would be derived at the relevant time from a source that the Calculation Agent deems, in good faith and in a commercially reasonable manner having taken into account any relevant market practice, to be equivalent, by more than 3 per cent.

"**Reference Jurisdiction**" has the meaning given to such term in Condition 4(c).

"**Regulation S**" means Regulation S under the Securities Act.

"**Relevant Currency**" is as defined in Condition 4(a)(II).

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time.

"**Scheduled Strike Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms or, if no such currency is specified, the Specified Currency.

"**Settlement Currency Exchange Rate**" means in respect of a Settlement Currency Exchange Rate Observation Date, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived) between the currencies and from the source(s) and at the time in each case specified in the applicable Final Terms on such day, as determined by the Calculation Agent, provided that if any source specified in the applicable Final Terms is not available or the Calculation Agent determines that there has been a Price Source Materiality Event, any such rate of exchange may be determined by the Calculation Agent by reference to such sources as it, any such rate of exchange may be determined by the Calculation Agent by reference to such sources as it, in its sole discretion, acting in good faith and in a commercially reasonable manner having taken into account any relevant market practice, considers to be appropriate.

"**Settlement Currency Exchange Rate Observation Date**" means the date falling the number of Business Days specified in the applicable Final Terms prior to the relevant scheduled payment date in respect of the Notes.

"**SIS**" means SIX SIS Ltd., Olten, Switzerland.

"**Specified Currency Amount**" has the meaning given to such term in Condition 4(c).

"**Specified Exchange Rate**" means the rate of exchange specified in the applicable Final Terms.

"**Specified Maximum Days of Disruption**" means (other than with respect to Commodity Securities, Custom Index Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days, with respect to Custom Index Securities, twenty Custom Index Business Days and with respect to Commodity Securities, five Commodity Business Days.

"**Strike Date**" means,

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Futures Securities or Debt Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(i) where the Notes are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price:

(A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of Share Securities, ETI Securities, Futures Securities or Debt Securities, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Notes are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:

(A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and

(B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(iii) where the Notes are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket or Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item:

(I) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(II) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value, level price or amount for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(iv) where the Notes are Index Securities relating to a Basket of Component Security Indices, the Strike Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and for each Component Security Index affected (each, an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:

(A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and

(B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value,

amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(b) in the case of Commodity Securities, the Initial Pricing Date.

"**Strike Day**" means each date specified as such in the applicable Final Terms and, if Averaging Date Consequences are specified as applicable in the applicable Final Terms, the provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Strike Day".

"**Strike Period**" means the period specified as such in the applicable Final Terms.

"**Unscheduled Holiday**" has the meaning given to such term in Condition 4(c).

"**U.S. person**" means a person who is (i) a "U.S. person" as defined in Regulation S under the Securities Act; or (ii) a person other than a "Non-United States person" as defined in Rule 4.7 under the Commodity Exchange Act; or (iii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC; or (iv) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the Commodity Exchange Act.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur.

"**Valuation Date**" means:

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Futures Securities or Debt Securities, the Interest Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Notes are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Futures Securities relating to a single Future or Debt Securities relating to a single Debt Instrument, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level, price or amount:

(I) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each

security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(II) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Notes are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:

(A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

(B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(iii) where the Notes are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket, Futures Securities relating to a Basket of Futures or Debt Securities relating to a Basket of Debt Instruments, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level or price using, in relation to the Affected Item, the value, level, price or amount as applicable, determined using:

(I) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(II) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value, level, price or amount for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(iv) where the Notes are Index Securities relating to a Basket of Component Security Indices, the Valuation Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and for each Component Security Index affected (each, an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:

(A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

(B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions.

"**Valuation Time**" means:

(a) the Valuation Time specified in the applicable Final Terms; or

(b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or

(c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

13. PRESCRIPTION

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiry of 10 years from the due date thereof and claims for payment of interest (if any) in respect of the Notes shall be prescribed upon the expiry of five years, from the due date thereof.

14. REPLACEMENT OF NOTES

If any Certificated Note (including any Certificated Notes represented by a Global Note) is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued. Cancellation and replacement of Notes shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the Issue Date, the Issue Price, the amount and date of the first interest payment thereon (if any) and/or the date from which interest starts to accrue (if any), such further notes being consolidated with and forming a single series with the Notes.

16. NOTICES

16.1 All notices regarding Notes listed on the SIX Swiss Exchange to be made to Noteholders will be given through the online information system of the SIX Swiss Exchange, by publishing on the SIX Swiss Exchange's website (http//www.six-exchange-regulation.com/publications/published_notficiations/official_notices_en.html) as provided for in the rules of the SIX Swiss Exchange. In addition, any such notice may be published in any other manner provided for by the rules of the SIX Swiss Exchange.

16.2 All notices regarding Notes, both Certificated and Uncertificated Notes, will be valid if published once in a leading English language daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) or in the CNY Settlement Centre(s) (in the case of Notes denominated in CNY). 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 such publication.

16.3 Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent. Whilst any Notes are represented by a Global Note, such notice may be given by a Noteholder to the Principal Paying Agent via SIS, in such manner as the Principal Paying Agent and SIS may approve for this purpose.

16.4 All notices given to Noteholders (irrespective of how given) shall also be delivered in writing to SIS and, in the case of listed Notes, to the SIX Swiss Exchange.

17. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

17.1 **English Law Notes**

The Note Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any provisions of the Note Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor or Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution at either (i) a duly convened meeting, will be one or more persons holding or representing not less than two-thirds, or at any such adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding or (ii) consent given by way of electronic consents though the relevant clearing system(s) will be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution. Extraordinary Resolutions may also be passed in writing if signed by holders of not less than 90 per cent in nominal amount of the Notes.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders to:

(a) any modification of the Notes or the Note Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes or the Note Agency Agreement which is of a formal, minor or technical nature or to cure, correct or supplement any defective provision or is made to cure, correct or supplement a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

17.2 **French Law Notes**

(a) If the relevant Final Terms specify that Noteholders will be grouped automatically for the defence of their common interests constituting a separate legal body called *masse* (the **Masse**) the *Masse* will be governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce* subject to the provisions of sub-paragraph (i) below.

If the relevant Final Terms specify that Noteholders shall not be grouped in a *Masse*, a general meeting of Noteholders (the *General Meeting*) may be convened to consider some matters relating to any series of French Law Securities as provided hereunder in sub-paragraphs (ii) to (v) below.

(i) Representation

If the provisions of the *Masse* are specified as applicable in the applicable Final Terms, the below provisions will apply:

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Noteholders.

The place where of a General Meeting shall be held will be set out in the notice convening such General Meeting.

If the provisions of the *Masse* are specified as not applicable in the applicable Final Terms, Noteholders shall not be represented by any representative of such body.

(ii) Powers of the General Meeting

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Noteholders of the French Law Notes and their rights, actions and benefits which now or in the future may accrue with respect to the French Law Notes, including the:

(A) power to agree to any modification of the French Law Notes including, but not limited to a modification of any term which can affect the amount to be paid in respect of a French Law Note or the scheduled payment date, which is proposed by the Issuer;

(B) power to give any authority or approval which under the provisions of this Condition 17.2 is required to be given by a resolution of the General Meeting;

(C) power to appoint any persons (whether Noteholders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Noteholders could themselves exercise by a resolution of the General Meeting; and

(D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Noteholders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

I. appoint any person as the representative of the Noteholders of any series for all actions intended to defend the common interests of the Noteholders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and

II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Noteholders of a series of French Law Notes, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Noteholders of such series of French Law Notes whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the French Law Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 16 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French Code de commerce.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Noteholders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Noteholders holding at least one thirtieth of the relevant Series of French Law Notes outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Noteholders of the relevant series of French Law Notes are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Noteholder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Noteholders who participate in the meeting via video conferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nu-propriétaire*) of the relevant French Law Notes. Each French Law Note shall confer the right to one vote.

Noteholders shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Noteholders

Each Noteholder will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of the Principal Paying Agent and at any other place specified in the notice of the General Meeting. The relevant Noteholders shall at all times have the same rights with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

18. AGENTS

In acting under the Note Agency Agreement, the Agents will act solely as agents of the Issuer and Guarantor and do not assume any obligations or relationship of agency or trust to or with the Noteholders except that (without affecting the obligations of the Issuer and the Guarantor to the Noteholders, to repay Notes and pay interest thereon) funds received by the Principal Paying Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders until the expiration of the relevant period of prescription under Condition 13. The Issuer will agree to perform and observe the obligations imposed upon it under the Note Agency Agreement. The Note Agency Agreement contains provisions for the indemnification of the Principal Paying Agent and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and any of its subsidiaries without being liable to account to the Noteholders for any resulting profit.

19. SUBSTITUTION

(a) The Issuer, or any previous substituted company may, at any time, without the consent of the Noteholders, substitute for itself as principal obligor under the Notes any company (the "**Substitute**"), being the Issuer or any other company, subject to:

(i) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Noteholder the performance of all obligations by the Substitute under the Notes;

(ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Notes represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;

(iii) the Substitute becoming party to the Note Agency Agreement (unless the Substitute is already a party to the Note Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;

(iv) each stock exchange on which the Notes are listed having confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;

(v) if appropriate, the Substitute having appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes; and

(vi) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Noteholders in accordance with Condition 16.

(b) BNPP or any previous substituted company may, at any time, without the consent of the Noteholders, substitute for itself as guarantor in respect of the Notes any company (the "**Substitute BNPP Guarantor**"), being BNPP or any other company, subject to:

(i) the creditworthiness of the Substitute BNPP Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, *inter alia*, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, or such other rating agency as the Calculation Agent determines to the Substitute BNPP Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);

(ii) the Substitute BNPP Guarantor having entered into a guarantee (the "**Substitute BNPP Guarantee**") in respect of the Notes in substantially the same form as the relevant Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute BNPP Guarantor shall undertake in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Note Agency Agreement as fully as if the Substitute BNPP Guarantor had been named in these Terms and Conditions, the Documents and the Note Agency Agreement as the guarantor in respect of the Notes in place of BNPP (or of any previous substitute under this Condition);

(iii) the Substitute BNPP Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services,

Luxembourg Branch for so long as any Notes remain outstanding and for so long as any claim made against the Substitute BNPP Guarantor or the Issuer by any Noteholder in relation to the Notes, the Substitute BNPP Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;

(iv) each stock exchange on which the Notes are listed having confirmed that following the proposed substitution of the Substitute BNPP Guarantor (or of any previous substitute under this Condition) it will continue to list the Notes;

(v) if appropriate, the Substitute BNPP Guarantor having appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes or the Substitute BNPP Guarantee; and

(vi) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Noteholders in accordance with Condition 16.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The English Law Notes shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the English Law Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

21. GOVERNING LAW AND SUBMISSION TO JURISDICTION

21.1 **English Law Notes**

(a) The Note Agency Agreement, the Deed of Covenant, the English Law Note Guarantee, the Notes and any non-contractual obligations arising out of or in connection with the Note Agency Agreement, the Deed of Covenant, the English Law Note Guarantee, the Notes (except as aforesaid) are governed by, and shall be construed in accordance with, English law.

(b) The Condition is for the benefit of Holders of English Law Securities only. The courts of England shall have exclusive jurisdiction to settle all disputes which may, directly or indirectly, arise out of or in connection with the Note Agency Agreement, the English Law Notes, the English Law Note Guarantee including any disputes relating to any non-contractual obligations arising out of or in connection with the Note Agency Agreement, Notes, the English Law Note Guarantee (a "**Dispute**") and accordingly each of the Issuers and the Guarantor submits and each Noteholder (by its acquisition of a Note) is deemed to submit to the exclusive jurisdiction of the English courts. For the purposes of this Condition, each of the Issuer and the Guarantor waives and each Noteholder (by its acquisition of a Note) is deemed to waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute. Each of the Issuer and the Guarantor irrevocably appoints BNP Paribas, London branch, currently of 10 Harewood Avenue, London NW1 6AA (Attention: the Loan Administration Department) as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of BNP Paribas, London branch being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. Each of the Issuer and the Guarantor agree that failure by a process agent to notify it of any process will not invalidate service. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

(c) The Issuer and the Guarantor have in the Note Agency Agreement, the English Law Note Guarantee and the Deed of Covenant submitted to the exclusive jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

(d) WITHOUT PREJUDICE TO CONDITION 21.1(b), EACH OF THE ISSUER AND THE GUARANTOR WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THE NOTES. THESE CONDITIONS MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

21.2 **French Law Notes**

The French Law Notes, the French Law Agency Agreement and the BNPP French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*). BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

TERMS AND CONDITIONS OF THE W&C SECURITIES

The following is the text of the Terms and Conditions of the W&C Securities which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Futures Securities, the additional terms and conditions contained in Annex 10 in the case of Credit Securities, the additional terms and conditions contained in Annex 11 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions"), and which, in the case of English Law Securities (as defined in Condition 1 below), will be incorporated by reference into each Permanent Global Security (as defined below). The applicable Final Terms in relation to any issue of W&C Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such W&C Securities. In the case of English Law Securities (as defined in Condition 1 below), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Permanent Global Security.

The series of W&C Securities described in the applicable Final Terms (in so far as it relates to such series of W&C Securities) (such W&C Securities being hereinafter referred to as the "**W&C Securities**") are issued by whichever of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. W&C Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "W&C Security", "W&C Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

The W&C Securities are issued pursuant to an Agency Agreement dated 8 October 2015 (as amended and/or supplemented from time to time, the "**Agency Agreement**") between, *inter alios*, BNPP B.V. as issuer, BNPP as issuer and (where the Issuer is BNPP B.V.) as guarantor (in such capacity, the "**Guarantor**") and BNP Paribas Securities Services, Paris, Succursale de Zurich as principal security agent (the "**Principal Security Agent**" or "**Security Agent**"). The expressions "Principal Security Agent" and "Security Agent" shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the W&C Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression "Calculation Agent" shall, in relation to the relevant W&C Securities, include such other specified calculation agent.

The Agency Agreement will be governed by English Law in the case of English Law Securities (the "**English Law Agency Agreement**") and by French Law in the case of French Law Securities (the "**French Law Agency Agreement**").

The applicable Final Terms for the W&C Securities supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the W&C Securities. Except in the case of Uncertificated Securities, the applicable Final Terms for the W&C Securities will be attached to each Permanent Global Security.

References herein to the "applicable Final Terms" are to the Final Terms or two or more sets of Final Terms (in the case of any further W&C Securities issued pursuant to Condition 12 and forming a single series with the W&C Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of W&C Securities) insofar as they relate to the W&C Securities.

Subject as provided in Condition 4 and in the relevant Guarantee (as defined in Condition 1), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of each Guarantee is held by BNP Paribas Securities Services, Paris, Succursale de Zurich, on behalf of the Holders at its specified office.

Copies of the Agency Agreement, the Guarantees and the applicable Final Terms may be obtained from the specified office of the Principal Security Agent, save that if the W&C Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the Principal Security Agent as to its identity.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the W&C Securities) and the applicable Final Terms, which are binding on them.

1. DEFINITIONS

For the purposes of these Terms and Conditions, the following general definitions will apply:

"**Accrual Period**" is as defined in Condition 31(c);

"**Actual/Actual (ICMA)**" is as defined in Condition 31(c);

"**Actual Exercise Date**" is as defined in Condition 20 and Condition 23.1(a);

"**Additional Disruption Event**" is as defined in Condition 15.1;

"**Adjustment Date**" is as defined in Condition 17(b);

"**Affected Item**" is as defined in this Condition 1 under the definition of Strike Date and in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Affected Relevant Assets**" is as defined in Condition 15.1;

"**Affected Share**" is as defined in Condition 15.2(e);

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity;

"**Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**Alternate Cash Amount**" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 22;

"**Annex**" is as defined in paragraph 1 of these Terms and Conditions;

"**Automatic Early Redemption Amount**" is as defined in Condition 32.8;

"**Automatic Early Redemption Date**" is as defined in Condition 32.8;

"**Automatic Early Redemption Event**" is as defined in Condition 32.8 and 32.8;

"**Automatic Early Redemption Level**" is as defined in Condition 32.8;

"**Automatic Early Redemption Rate**" is as defined in Condition 32.8;

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 32.8;

"**Automatic Exercise**" is as defined in Condition 22;

"**Averaging**" is as defined in Condition 22 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket Price**" is as defined in Condition 32.8;

"**Basket of Underlying References**" is as defined in Condition 32.8;

"**BNPP**" is as defined in paragraph 2 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 2 of these Terms and Conditions;

"**Business Day**" means (a) a day (other than a Saturday or Sunday) on which (i) commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) (other than TARGET2); and (ii) on which the Intermediary is open for business; (b) if TARGET2 System is specified as a Business Day Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open; and (c) for the purposes of making payments in euro, any day on which the TARGET2 System is open;

"**Calculated Additional Disruption Amount**" is as defined in Condition 15.2(c)(ii);

"**Calculated Additional Disruption Amount Determination Date**" is as defined in Condition 15.2(c)(ii);

"**Calculation Agent**" is as defined in paragraph 4 of these Terms and Conditions;

"**Call Warrants**" is as defined in Condition 22;

"**Cancellation Event**" is as defined in Condition 15.1;

"**Cash Settled Certificates**" is as defined in Condition 29;

"**Cash Settled Securities**" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"**Cash Settled Warrants**" is as defined in Condition 22;

"**Cash Settlement Amount**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Certificated Securities**" means Securities represented by a Permanent Global Security as defined in Condition 2.2;

"**Certificates**" is as defined in paragraph 2 of these Terms and Conditions;

"**Change in Law**" is as defined in Condition 15.1;

"**Clearing System**" means SIS and/or any additional or alternative clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"**Commodity OET Certificate**" means a Commodity Security that is an OET Certificate;

"**Commodity Securities**" is as defined in Condition 2.1;

"**Coupons**" is as defined in Condition 2.2;

"**Credit Securities**" is as defined in Condition 2.1;

"**Currency Event**" is as defined in Condition 15.1;

"**Currency OET Certificate**" means a Currency Security that is an OET Certificate;

"**Currency Securities**" is as defined in Condition 2.1;

"**Cut-off Date**" is as defined in Condition 27 or as specified in the Final Terms;

"**Day Count Fraction**" is as defined in Condition 31(c);

"**Debt Securities**" is as defined in Condition 2.1;

"**Delivery Date**" is as defined in Condition 33.2(a);

"**Designated Maturity**" is as defined in Condition 31(b)(iii);

"**Determination Date(s)**" is as defined in Condition 31(c);

"**Determination Period**" is as defined in Condition 31(c);

"**Disruption Cash Settlement Price**" is as defined in Condition 5.1;

"**Distribution Compliance Period**" means the period expiring 40 days after completion of the distribution of the relevant Securities unless a longer period is specified in the applicable Final Terms. In such event, the Final Terms will specify the additional restrictions on transfer and exercise applicable to the W&C Securities;

"**Documents**" is as defined in Condition 13.2(b);

"**due exercise**" is as defined in Condition 23.4;

"**English Law Agency Agreement**" is as defined in paragraph 5 of these Terms and Conditions;

"**English Law Certificates**" is as defined in Condition 27;

"**English Law W&C Guarantee**" means a deed of guarantee dated 8 October 2015 executed by BNPP in respect of English Law W&C Securities issued by BNPP B.V.;

"**English Law Securities**" means (a) in the case of an issue of Warrants, English Law Warrants and (b) in the case of an issue of Certificates, English Law Certificates;

"**English Law Warrants**" is as defined in Condition 20;

"**Entitlement**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Established Rate**" is as defined in Condition 17(b);

"**ETI OET Certificate**" means an ETI Security that is an OET Certificate;

"**ETI Securities**" is as defined in Condition 2.1;

"**EURIBOR**" is as defined in Condition 31(b)(iii)(C);

"**euro**" is as defined in Condition 17(b);

"**European Style Warrants**" is as defined in Condition 22;

"**exercise**" is as defined in Condition 23.4;

"**Exercise Business Day**" is as defined in Condition 20;

"**Exercise Notice**" is as defined in Condition 23.1(a) and Condition 24.1;

"**Exercise Price**" is as specified in the applicable Final Terms;

"**Expenses**" is as defined in Condition 11.2;

"**Expiration Date**" is as defined in Condition 20;

"**Failure to Deliver due to Illiquidity**" is as defined in Condition 15.1;

"**Failure to Deliver Settlement Price**" is as defined in Condition 15.2(e);

"**FBF Agreement**" is as defined in Condition 31(b)(iv);

"**FBF Rate**" is as defined in Condition 31(b);

"**Fixed Rate Certificates**" is as defined in Condition 31;

"**FISA**" means the Swiss Federal Intermediated Securities Act;

"**Floating Rate**" is as defined in Condition 31(b)(iii);

"**Floating Rate Certificates**" is as defined in Condition 31;

"**Floating Rate Option**" is as defined in Condition 31(b)(iii);

"**Force Majeure Event**" is as defined in Condition 15.1;

"**freely tradable**" is as defined in Condition 5.4;

"**French Law Agency Agreement**" is as defined in paragraph 5 of these Terms and Conditions;

"**French Law Certificates**" is as defined in Condition 27;

"**French Law Guarantee**" means the *garantie* dated 8 October 2015 executed by BNPP in respect of French Law Securities issued by BNPP B.V.;

"**French Law Securities**" means (a) in the case of Warrants, French Law Warrants and (b) in the case of Certificates, French Law Certificates;

"**French Law Warrants**" is as defined in Condition 20;

"**Fund Securities**" is as defined in Condition 2.1;

"**Futures OET Certificate**" means a Futures Security that is an OET Certificate;

"**Futures Securities**" is as defined in Condition 2.1;

"**FX Settlement Disruption Currency**" is as defined in Condition 5.6(vi);

"**FX Settlement Disruption Cut-off Date**" is as defined in Condition 5.6(ii)(A);

"**FX Settlement Disruption Event**" is as defined in Condition 5.6(vi);

"**FX Settlement Disruption Exchange Rate**" is as defined in Condition 5.6(vi);

"**FX Settlement Disruption Expenses**" is as defined in Condition 5.6(vi);

"**FX Settlement Disruption Notice**" is as defined in Condition 5.6(i);

"**GDR/ADR**" is as defined in Condition 2.1;

"**General Meeting**" is as defined in Condition 9.4(b);

"**Government Authority**" is as defined in Condition 15.1;

"**Guarantee**" means (a) in the case of English Law Securities, the English Law W&C Guarantee and (b) in the case of French Law Securities, the French Law Guarantee;

"**Guaranteed Cash Settlement Amount**" is as defined in Condition 4;

"**Guarantor**" is as defined in paragraph 3 of these Terms and Conditions;

"**Hedge**" is as defined in Condition 15.1;

"**Hedging Disruption**" is as defined in Condition 15.1;

"**Hedging Shares**" is as defined in Condition 15.1;

"**Holder**" is as defined in Condition 2.2;

"**Hybrid Securities**" is as defined in Condition 2.1;

"**Increased Cost of Hedging**" is as defined in Condition 15.1;

"**Increased Cost of Stock Borrow**" is as defined in Condition 15.1;

"**Index OET Certificate**" means an Index Security that is an OET Certificate;

"**Index Securities**" is as defined in Condition 2.1;

"**Inflation Index Securities**" is as defined in Condition 2.1;

"**Initial Stock Loan Rate**" is as defined in Condition 15.1;

"**Insolvency Filing**" is as defined in Condition 15.1;

"**Interest Amount**" is as defined in Condition 31(b)(vi);

"**Interest Determination Date**" is as defined in Condition 31(b)(vi);

"**Interest Period End Date**" is as defined in Condition 31(b)(i);

"**Interest Period End Final Date**" is as defined in Condition 31(a) and Condition 31(b)(i);

"**Intermediary**" is as defined in Condition 2.2;

"**Intermediated Securities**" is as defined in Condition 2.2;

"**Intervening Period**" is as defined in Condition 33.2(b);

"**ISDA Definitions**" is as defined in Condition 31(b)(iii);

"**Issuer**" is as defined in paragraph 2 of these Terms and Conditions;

"**Jurisdiction Event**" is as defined in Condition 15.1;

"**Knock-in Determination Day**" is as defined in Condition 16.6;

"**Knock-in Determination Period**" is as defined in Condition 16.6;

"**Knock-in Event**" is as defined in Condition 16.6;

"**Knock-in Level** " is as defined in Condition 16.6;

"**Knock-in Period Beginning Date**" is as defined in Condition 16.6;

"**Knock-in Period Ending Date**" is as defined in Condition 16.6;

"**Knock-in Range Level** " is as defined in Condition 16.6;

"**Knock-in Valuation Time**" is as defined in Condition 16.6;

"**Knock-out Determination Day**" is as defined in Condition 16.6;

"**Knock-out Determination Period**" is as defined in Condition 16.6;

"**Knock-out Event**" is as defined in Condition 16.6;

"**Knock-out Level**" is as defined in Condition 16.6;

"**Knock-out Period Beginning Date**" is as defined in Condition 16.6;

"**Knock-out Period Ending Date**" is as defined in Condition 16.6;

"**Knock-out Range Level**" is as defined in Condition 16.6;

"**Knock-out Valuation Time**" is as defined in Condition 16.6;

"**Level**" is as defined in Condition 16.6;

"**LIBOR**" is as defined in Condition 31(b)(iii)(C);

"**Linked Interest Certificates**" is as defined in Condition 31;

"**Local Currency**" is as defined in Condition 15.1;

"**Local Time**" means local time in Zurich;

"**Loss of Stock Borrow**" is as defined in Condition 15.1;

"**Maximum Stock Loan Rate**" is as defined in Condition 15.1;

"**Modified Postponement**" is as defined in Condition 27;

"**National Currency Unit**" is as defined in Condition 17(b);

Notice Period" is as defined in Conditions 32.3 and 32.4;

"**Observation Date**" is as defined in Condition 20 (in the case of Warrants) and 27 (in the case of Certificates);

"**Observation Period**" is as defined in Condition 20 (in the case of Warrants) and 27 (in the case of Certificates);

"**OET Certificate**" means W&C Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"**Omission**" is as defined in Condition 27;

"**Open End Certificate**" is as defined in Condition 27;

"**Optional Additional Disruption Event**" is as defined in Condition 15.1;

"**Optional Redemption Amount**" is as defined in Conditions 32.3 and 32.4;

"**Optional Redemption Date**" is as defined in Conditions 32.3 and 32.4;

"**Optional Redemption Valuation Date**" is as defined in Conditions 32.3 and 32.4;

"**Original Currency**" is as defined in Condition 17(a)(ii);

"**Permanent Global Certificate**" is as defined in Condition 2.2;

"**Permanent Global Security**" is as defined in Condition 2.2;

"**Permanent Global Warrant**" is as defined in Condition 2.2;

"**Physical Delivery Certificates**" is as defined in Condition 29;

"**Physical Delivery Securities**" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"**Physical Delivery Warrants**" is as defined in Condition 22;

"**Postponement**" is as defined in Condition 27;

"**Principal Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Proceedings**" is as defined in Condition 14.1(b);

"**Put Notice**" is as defined in Condition 32.4;

"**Put Warrants**" is as defined in Condition 22;

"**Quota**" is as defined in Condition 25.1(b);

"**Redemption Date**" is as defined in Condition 33.1;

"**Reference Banks**" is as defined in Condition 27;

"**Regulation S**" means Regulation S under the Securities Act;

"**Related Expenses**" is as defined in Condition 11.2;

"**Relevant Adjustment Provisions**" is as defined in Condition 16.6 and 32.8;

"**Relevant Currency**" is as defined in Condition 5.6(vi);

"**Relevant Intermediary**" is as defined in Condition 2.2;

"**Relevant Jurisdiction**" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the ETI Interests, the Debt Instruments, the Fund or the Fund Units are issued (or in which the issuer of such Shares, ETI Interests, Debt Instruments or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

"**Reset Date**" is as defined in Condition 31(d)(ii);

"**Rolling Futures Contract Securities**" means a W&C Security that is specified as such in the applicable Final Terms;

"**Scheduled Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"**Scheduled Strike Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"**Securities**" is as defined in paragraph 2 of these Terms and Conditions;

"**Securities Act**" means the Securities Act of 1933, as amended;

"**Security Agent**" and "**Security Agents**" are as defined in paragraph 3 of these Terms and Conditions;

"**Security Expenses**" is as defined in Condition 11.1;

"**Settlement Business Day**" is as defined in Condition 5.1;

"**Settlement Date**" is as defined in Condition 20;

"**Settlement Disruption Event**" is as defined in Condition 5.1;

"**Share**" is as defined in Condition 15.2(e);

"**Share OET Certificate**" means a Share Security that is an OET Certificate;

"**Share Securities**" is as defined in Condition 2.1;

"**SIS**" means SIX SIS Ltd., Olten, Switzerland;

"**Specified Maximum Days of Disruption**" means (other than with respect to Custom Index Securities, Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Custom Index Securities, twenty Custom Index Business Days, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"**Stop-Loss Event**" is as defined in Condition 15.1;

"**Strike Date**" means, in the case of Index Securities, Share Securities, ETI Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) where the W&C Securities are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:

(i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(ii) in the case of Share Securities, ETI Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(b) where the W&C Securities are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:

(i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and

(ii) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of the Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions.

(c) where the W&C Securities are Index Securities relating to a Basket of Indices (other than a Basket of Custom Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or price as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(ii) in the case of a Share, ETI Interest or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(d) where the W&C Securities are Index Securities relating to a Basket of Component Security Indices, the Strike Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and for each Component Security Index affected (each, an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:

(i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and

(ii) in respect of each Component Security affected (each, an "**Affected Component Securit**y") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(e) the Strike Date shall be deemed to be the earliest date on which the Calculation Agent can determine the level of the Component Security Index in accordance with the above provisions; or

in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Price**" is as defined in Condition 27;

"**Substitute**" is as defined in Condition 13.1;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13.2;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 31(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Taxes**" is as defined in Condition 11.2;

"**Treaty**" is as defined in Condition 17(b);

"**Uncertificated Securities**" means Securities issued in uncertified and dematerialised form which are entered into the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, as further specified in Condition 2.2;

"**Underlying Reference**" is as defined in Condition 16.6 and 32.8;

"**Underlying Reference Level**" is as defined in Condition 32.8;

"**Underlying Share**" is as defined in Condition 2.1;

"**Units**" is as defined in Condition 22;

"**Valid Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Valuation Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Valuation Time**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates); and

"**Warrants**" is as defined in paragraph 2 of these Terms and Conditions.

2. TYPE, FORM, TITLE AND TRANSFER

2.1 Type

The W&C Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments or futures or options contracts related to a specified debt instrument or basket of debt instruments (synthetic or otherwise) ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), the credit of a specified reference entity or reference entities ("**Credit Securities**") or any other or further type of W&C Securities as is specified in the applicable Final Terms including W&C Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, fund shares or units, futures contract(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Securities**").

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 in the case of Warrants or Condition 27 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery

W&C Securities may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those W&C Securities where the Holder has elected for cash payment will be Cash Settled Securities and those W&C Securities where the Holder has elected for physical delivery will be Physical Delivery Securities. The rights of a Holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these Conditions.

2.2 Form of W&C Securities and Title to W&C Securities

English Law Securities are issued as Certificated Securities and French Law Securities are issued as Uncertificated Securities.

The Securities may be denominated in Swiss Francs or such other currencies as approved by SIS.

English Law Certificates are represented by a permanent global certificate (the "**Permanent Global Certificate**") and English Law Warrants are represented by a permanent global warrant (the "**Permanent Global Warrant**" and, together with the Permanent Global Certificate, the "**Permanent Global Security**") and, in each case, will be held as intermediated securities (the "**Intermediated Securities**") (*Bucheffekten*) in accordance with the Swiss Federal Intermediated Securities Act ("**FISA**") (*Bucheffektengesetz*).

The Intermediated Securities will be created (i) by the deposit by the Principal Security Agent of the Permanent Global Security with SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIS or such other intermediary, the "**Intermediary**") on or prior to the issue date and (ii) by the Intermediary crediting the respective rights to securities accounts of the relevant participants with the Intermediary.

Uncertificated Securities are issued in uncertificated and dematerialised form (*inscription en compte*). Neither a global certificate nor definitive securities or any other certificate representative of an Uncertificated Securities will be issued in respect of Uncertificated Securities and these Terms shall be construed accordingly. Uncertificated Securities will be created by the Issuer by means of a registration in its register of uncertificated securities. Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Intermediary on or prior to their issue date. Once (i) the Uncertificated Securities are registered in the main register (*Hauptregister*) of the Intermediary and (ii) the Intermediary has credited the respective rights to securities accounts of the relevant participants with the Intermediary, such Uncertificated Securities will constitute Intermediated Securities.

The records of the Intermediary will determine the number of W&C Securities held through each participant maintaining a securities account with the Intermediary. In respect of Securities held in the form of Intermediated Securities, the holder of a particular number of Securities (a "**Holder**") will be the person holding such number of Securities in a securities account in their own name and for their own account with the Intermediary or any other securities intermediary maintaining securities accounts (the Intermediary or such other securities intermediary the "**Relevant Intermediary**") and such person shall be treated by the Issuer, the Guarantor, if any, and the Principal Security Agent as the holder of such number of W&C Securities for all purposes. The expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly.

Each Holder of Certificated Securities shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Security representing such Certificated Securities to the extent of his claim against the Issuer, provided that, for so long as the Permanent Global Security remains deposited with the Intermediary, the co-ownership interest shall be suspended.

Notwithstanding the above and anything contrary herein, the Issuer shall make all payments and/or delivery of Entitlements due to the Holders under the W&C Securities to the Principal Security Agent and, upon receipt by the Principal Security Agent of the due and punctual payment of such funds and/or delivery of Entitlements in Switzerland, shall be discharged from its obligations to Holders under such W&C Securities to the extent that such funds and/or Entitlement have been received by the Principal Security Agent as of such date.

In respect of Uncertificated Securities, neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a Permanent Global Security or Definitive Securities.

Subject as provided below, in the case of either Certificated Securities or Uncertificated Securities, no printing of securities in definitive form will occur. Subject to any applicable laws, neither the Issuer nor the Holders of Permanent Global Securities shall at any time have the right to effect or demand the conversion of the Permanent Global Security into, or the delivery of, uncertificated securities or Certificated Securities in definitive form.

If (i) the Principal Security Agent deems the printing of securities in definitive form and, if applicable, coupons for the payment of interest or premium amount, ("**Coupons**") to be necessary or useful, or (ii) the presentation of securities in definitive form or, if applicable Coupons, is required by Swiss or foreign laws in connection with the enforcement of rights (including in cases of bankruptcy, consolidation or reorganisation of the Issuer), the Issuer shall determine the form of such definitive securities and, if applicable Coupons, as well as any necessary technical changes required to these Terms and Conditions in consultation with the Principal Security Agent.

The Permanent Global Securities do not have Coupons attached on issue.

Certificated Securities denominated in Swiss Francs benefit from a limited exception to the certification in bearer form requirement of the TEFRA D Rules, if such Certificated Securities fulfil the relevant requirements set out below.

The following criteria must be fulfilled in order for the limited exception to the certification requirement of the TEFRA D Rules to apply:

(a) the interest on, and the principal of, the W&C Securities are denominated only in Swiss Francs;

(b) the interest on, and the principal of, the W&C Securities are payable only in Switzerland;

(c) the W&C Securities are offered and sold in accordance with Swiss customary practice and documentation;

(d) the relevant dealers agree to use reasonable efforts to sell the W&C Securities within Switzerland;

(e) the W&C Securities are not listed, or subject to an application for listing, on an exchange located outside Switzerland;

(f) the issuance of the W&C Securities is subject to guidelines or restrictions imposed by Swiss governmental, banking or securities authorities; and

(g) more than 80 per cent. by value of the W&C Securities included in the offering of which they are part are offered and sold to non-dealers by dealers maintaining an office located in Switzerland.

2.3 Transfers of Certificated Securities and Uncertificated Securities

So long as the Certificated Securities remain deposited or Uncertificated Securities remain registered with the Intermediary, all transactions (including permitted transfers of Certificated Securities) in the open market or otherwise must be effected subject to and in accordance with the provisions of the FISA and the applicable rules and regulations of the Intermediary. So long as the Certificated Securities remain deposited or Uncertificated Securities remain registered with the Intermediary, the W&C Securities may only be transferred or otherwise disposed of in accordance with the provisions of FISA, i.e. by the entry of the transferred W&C Securities in a securities account of the transferee.

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 24.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 32.

3. STATUS OF THE SECURITIES AND GUARANTEE

The W&C Securities are unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves.

Where the Issuer is BNPP B.V., the Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

4. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's W&C Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such W&C Securities as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such W&C Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such W&C Security less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of W&C Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such W&C Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery BNPP will make payment in respect of each such W&C Security of, in the case of (A) above, the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a W&C Security shall constitute a complete discharge of BNPP's obligations in respect of such W&C Security. Payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF W&C SECURITIES

5.1 Settlement Disruption

If, (i) in the case of Warrants following the exercise of Physical Delivery Warrants, and (ii) in the case of W&C Securities, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has

determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date (in the case of Warrants) or Delivery Date (in the case of Certificates), then such Settlement Date or Delivery Date, as the case may be, for such W&C Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Security or in the case of Warrants, if applicable, Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date or Delivery Date, as the case may be, shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date or Delivery Date, as the case may be, for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date or Delivery Date, as the case may be.

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant W&C Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

"**Disruption Cash Settlement Price**" means, in respect of any relevant W&C Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such W&C Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms; and

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"**Failure to Deliver due to Illiquidity**", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

(a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the W&C Securities, and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such W&C Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.

(b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such W&C Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise or redemption, as the case may be, of W&C Securities in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such W&C Securities, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or interests in ETIs which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act with respect to which an exemption from such registration is available, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

5.6 **FX Settlement Disruption Event**

If the Settlement Currency specified in the applicable Final Terms is a Relevant Currency, "FX Settlement Disruption" will apply, and:

(i) If on the second Business Day prior to the Disrupted Settlement Date, the Calculation Agent (in its sole and absolute discretion) determines that a FX Settlement Disruption Event has occurred and is subsisting, the Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the Holders in

accordance with Condition 10 as soon as reasonably practicable thereafter and, in any event, prior to the due date for payment of the relevant Disrupted Amount as the case may be.

(ii) Following the occurrence of a FX Settlement Disruption Event:

(A) the date for payment of the relevant Disrupted Amount will be postponed to (i) the second Business Day following the date on which the Calculation Agent determines that a FX Settlement Disruption Event is no longer subsisting or if earlier (ii) the date falling thirty calendar days following the Settlement Date, Redemption Date or other scheduled date for payment, as applicable, of the relevant Disrupted Amount (the "**FX Settlement Disruption Cut-off Date**") which, for the avoidance of doubt, may be later than the scheduled Settlement Date or Redemption Date; as the case may be and

(B) (i) in the case of (A)(i) above, the Issuer will pay or cause to be paid the relevant Disrupted Amount, less (except in the case of Italian Listed Securities) FX Settlement Disruption Expenses (if any), in the Settlement Currency or (ii) in the case of (A)(ii) above, in lieu of paying the relevant Disrupted Amount in the Settlement Currency, the Issuer will, subject to sub-paragraph (iii) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (using the FX Settlement Disruption Exchange Rate determined by the Calculation Agent for the relevant Disrupted Settlement Date) and will pay or cause to be paid the relevant Disrupted Amount, less FX Settlement Disruption Expenses (if any), in the FX Settlement Disruption Currency on the FX Settlement Disruption Cut-off Date;

(iii) If sub-paragraph (ii)(A)(ii) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate in its sole and absolute discretion in accordance with the following procedures:

(A) the FX Settlement Disruption Exchange Rate shall be the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) on such day; or

(B) if fewer than two leading dealers provide the Calculation Agent with bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates on such day, the Calculation Agent shall determine the FX Settlement Disruption Exchange Rate in its discretion.

(iv) For the avoidance of doubt:

(A) No Interest Period will be adjusted as a result of the postponement of any interest payment or premium amount payment pursuant to this Condition 5.6; and

(B) No additional interest will be payable in respect of any postponement of the relevant due date for payment.

(v) For the avoidance of doubt, nothing contained in this Condition 5.6 shall prevent the Issuer from determining that an Additional Disruption Event and/or Optional Additional Disruption Event has occurred, in which case, the provisions of Condition 15 shall prevail in the event of any conflict between this Condition 5.6 and Condition 15.

(vi) For these purposes:

"**Disrupted Amount**" means any Cash Settlement Amount, Interest Amount, Premium Amount or other amount payable;

"**Disrupted Settlement Date**" means the Settlement Date, Redemption Date or any other due date for payment of the relevant Disrupted Amount;

"**FX Settlement Disruption Currency**" means USD;

"**FX Settlement Disruption Event**" means the occurrence of an event which makes it unlawful, impossible or otherwise impracticable to pay the relevant Disrupted Amount in the Settlement Currency on the scheduled Settlement Date, Redemption Date or other date for payment;

"**FX Settlement Disruption Exchange Rate**" means the rate of exchange between the Settlement Currency (as specified in the applicable Final Terms) and the FX Settlement Disruption Currency, determined by the Calculation Agent in accordance with the provisions of sub-paragraph (iii) above;

"**FX Settlement Disruption Expenses**" means the sum of (i) the cost to the Issuer and/or its affiliates of unwinding any hedging arrangements related to the W&C Securities and (ii) any transaction, settlement or other costs and expenses arising directly out of the occurrence of a FX Settlement Disruption Event or the related payment of the Disrupted Amount, all as determined by the Calculation Agent in its sole and absolute discretion; and

"**Relevant Currency**" means each of Emirati Dirhams ("**AED**"), Argentinian Pesos ("**ARS**"), Australian Dollars ("**AUD**"), Bermudan Dollars ("**BMD**"), Bulgarian Leva ("**BGN**"), Bahraini Dinars ("**BHD**"), Botswana Pula ("**BWP**"), Brazilian Reais ("**BRL**"), Canadian Dollars ("**CAD**"), Swiss Francs ("**CHF**"), Chilean Pesos ("**CLP**"), Chinese Yuan ("**CNY**"), Czech Republic Korun ("**CZK**"), Danish Kroner ("**DKK**"), Great British Pounds ("**GBP**"), Ghanaian Cedis ("**GHS**"), Hong Kong Dollars ("**HKD**"), Croatian Kuna ("**KRJ**"), Hungarian Forints ("**HUF**"), Indonesian Rupiah ("**IDR**"), Israeli Shekels ("**ILS**"), Icelandic Krónur ("**ISK**"), Jordanian Dinars ("**JOD**"), Japanese Yen ("**JPY**"), Kenyan Shillings ("**KES**"), Kuwaiti Dinars ("**KWD**"), Kazakhstani Tenges ("**KZT**"), Lebanese Pounds ("**LBP**"), Moroccan Dirhams ("**MAD**"), Mauritian Rupees ("**MUR**"), Mexican Pesos ("**MXN**"), Malaysian Ringgits ("**MYR**"), Namibian Dollars ("**NAD**"), Nigerian Naira ("**NGN**"), Norwegian Kroner ("**NOK**"), New Zealand Dollars ("**NZD**"), Omani Riyals ("**OMR**"), Peruvian Nuevos Soles ("**PEN**"), Philippine Pesos ("**PHP**"), Polish Zloty ("**PLN**"), Qatari Riyals ("**QAR**"), Romanian Lei ("**RON**"), Russian Roubles ("**RUB**"), Saudi Riyals ("**SAR**"), Swedish Kronor ("**SEK**"), Singaporean Dollars ("**SGD**"), Thai Baht ("**THB**"), Tunisian Dinars ("**TND**"), Turkish Lire ("**TRY**") and South African Rand ("**ZAR**").

6. GENERAL

None of the Issuers, the Guarantor, the Calculation Agent and any Security Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of W&C Securities does not confer on any Holder of such W&C Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the W&C Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the W&C Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the W&C Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each W&C Security, or in the case of

Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a W&C Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the W&C Securities and/or any related hedging arrangements, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem the W&C Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the W&C Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each W&C Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a W&C Security or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

8.1 Purchase and cancellation by BNPP B.V. in respect of any W&C Securities and by BNPP in respect of Warrants

The Issuer may, but is not obliged to, at any time purchase W&C Securities at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any W&C Securities or, in the case of BNPP, any Warrants so purchased may be held or resold or surrendered for cancellation, provided however, that W&C Securities so purchased may only be resold pursuant to an exemption from the registration requirements of the Securities Act provided by Regulation S or otherwise thereunder.

8.2 Purchase by BNPP in respect of Certificates

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty.

Certificates so purchased by the Issuer may be held or resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Certificates, or cancelled.

8.3 Cancellation by BNPP in respect of Certificates

All Certificates which are purchased for cancellation by the Issuer will forthwith be cancelled and accordingly may not be re-issued or resold.

9. SECURITY AGENT, MEETINGS PROVISIONS, MODIFICATIONS

9.1 Security Agent

The specified office of the Security Agent is as set out at the end of these Terms and Conditions.

Each of the Issuer and the Guarantor, if any, reserves the right at any time to vary or terminate the appointment of the Security Agent and to appoint further or additional Security Agents, provided that no termination of appointment of the Security Agent shall become effective until a replacement Security Agent shall have been appointed and provided that, so long as any of the W&C Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange or other relevant authority. Notice of any termination of appointment and of any changes in the specified office of the Security Agent will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, the Security Agent acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations made in respect of the W&C Securities by the Security Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

In the case of W&C Securities listed on SIX Swiss Exchange, the Security Agent shall at all times be a bank or securities dealer that is subject to supervision by the Swiss Financial Markets Supervisory Authority FINMA.

9.2 Calculation Agent

In relation to each issue of W&C Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the W&C Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

9.3 Determinations by the Issuer and the Guarantor

Any determination made by the Issuer or the Guarantor, if any, pursuant to these Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders.

9.4 Meetings of Holders

(a) English Law Securities

The Agency Agreement contains provisions for convening meetings of the Holders of English Law Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, the Guarantor or Holders holding not less than 5 per cent. (by number) of the W&C Securities for the time being, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of W&C Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of English Law

Securities so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the W&C Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the W&C Securities for the time being remaining unexercised or outstanding, as the case may be. A resolution will be an Extraordinary Resolution when it has been passed at either (i) a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting who, being entitled to do so, vote in person or by proxy or (ii) consent given by way of electronic consents through the relevant clearing system(s), as applicable, (in a form satisfactory to the Principal Security Agent) by or on behalf of persons representing not less than 75 per cent. (by number) of the W&C Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding. An Extraordinary Resolution passed by the Holders will be binding on all the Holders, whether or not they are present at any meeting and whether or not they voted on the resolution, except, in the case of Warrants, for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 24 prior to the date of the meeting or the final date on which electronic consents can be submitted through the clearing systems. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 24 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(b) French Law Securities

If the relevant Final Terms specify that Holders will be grouped automatically for the defence of their common interests constituting a separate legal body called *masse* (the "**Masse**"), the Masse will be governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce* subject to the provisions of sub-paragraph (i) below.

If the relevant Final Terms specify that Holders shall not be grouped in a Masse, a general meeting of Holders (the "**General Meeting**") may be convened to consider some matters relating to any series of French Law Securities as provided hereunder in sub-paragraphs (ii) to (v) below.

(i) Representation

If the provisions of the Masse are specified as applicable in the applicable Final Terms, the below provisions will apply:

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first tranche of any series of French Law Securities will be the representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Holders.

The place where a general meeting shall be held will be set out in the notice convening such general meeting.

If the provisions of the Masse are specified as not applicable in the applicable Final Terms, Holders shall not be represented by any representative of such body.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the French Law Securities and their rights, actions and benefits which now or in the future may accrue with respect to the French Law Securities, including the:

(A) power to agree to any modification of the French Law Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or more generally the modification of any term which can affect the amount to be paid under a French Law Security or the scheduled payment date, which is proposed by the Issuer;

(B) power to give any authority or approval which under the provisions of this Condition 9.4(b) is required to be given by a resolution of the General Meeting;

(C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and

(D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and

II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of French Law Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of French Law Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the French Law Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of French Law Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of French Law Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the Relevant Intermediary of the name of such Holder on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nu-propriétaire*) of the relevant French Law Securities. Each French Law Security shall confer the right to one vote.

Holders shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security

Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices regarding W&C Securities listed on the SIX Swiss Exchange to be made to Holders will be given through the online information system of the SIX Swiss Exchange, by publishing on the SIX Swiss Exchange's website (<http://www.six-exchange-regulation.com/publications/published_notifications/official_notices_en.htm>) as provided for in the rules of the SIX Swiss Exchange. In addition, any such notice may be published in any other manner provided by the rules of SIX Swiss Exchange.

11. EXPENSES AND TAXATION

11.1 A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement (in the case of Warrants) or redemption (in the case of Certificates) of the W&C Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such W&C Securities ("**Security Expenses**") relating to such W&C Securities as provided above.

11.2 The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the W&C Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their W&C Securities.

"**Expenses**" means Security Expenses and any Related Expenses.

"**Related Expenses**" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

(a) the issue, transfer or enforcement of the W&C Securities;

(b) any payment (or delivery of assets) to Holders;

(c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the W&C Securities; or

(d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the W&C Securities.

"**Taxes**" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits, capital gains or, for the avoidance of doubt, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto) together with any interest, additions to tax or penalties.

12. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further W&C Securities so as to be consolidated with and form a single series with the outstanding W&C Securities.

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 The Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the W&C Securities any company (the "**Substitute**"), being the Issuer or any other company, subject to:

(a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the W&C Securities;

(b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the W&C Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;

(c) the Substitute becoming party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;

(d) each stock exchange on which the W&C Securities are listed having confirmed that, following the proposed substitution of the Substitute, the W&C Securities will continue to be listed on such stock exchange;

(e) if appropriate, the Substitute having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the W&C Securities; and

(f) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the W&C Securities any company (the "**Substitute Guarantor**"), being BNPP or any other company, subject to:

(a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, *inter alia*, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);

(b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the W&C Securities in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the W&C Securities in place of BNPP (or of any previous substitute under this Condition);

(c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Paris, Succursale de Zurich to be held by BNP Paribas Securities Services, Paris, Succursale de Zurich for so long as any W&C Securities remain, in the case of Warrants, unexercised or, in the case of Certificates, outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the W&C Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;

(d) each stock exchange on which the W&C Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the W&C Securities;

(e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the W&C Securities or the Substitute Guarantee; and

(f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

14. GOVERNING LAW

14.1 English Law Securities

(a) The English Law Securities, the English Law Agency Agreement and the English Law W&C Guarantee and any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law W&C Guarantee are governed by, and shall be construed in accordance with, English law.

(b) This Condition is for the benefit of the Holders of English Law Securities only. The courts of England shall have exclusive jurisdiction to settle all disputes which may, directly or indirectly, arise out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law W&C Guarantee including any disputes relating to any non-contractual obligations arising out of or in

connection with the English Law Securities, the English Law Agency Agreement and the English Law W&C Guarantee (a "**Dispute**") and consequently each of the Issuer and the Guarantor and each Holder (by its acquisition of a W&C Security) is deemed to submit to the jurisdiction of the English courts to hear all suits, actions or proceedings (together hereafter termed the "**Proceedings**") relating to any such Dispute (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law W&C Guarantee). Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

(c) Each of the Issuer and the Guarantor hereby irrevocably appoints BNP Paribas, London branch at its registered office at 10 Harewood Avenue, London NW1 6AA, as its or their agent in England to receive service of process in any Proceedings before the English courts in relation to any Dispute and agrees that, in the event of BNP Paribas, London Branch being unable to unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute and to notify the Holders of English Law Securities of such appointment. Each of the Issuer and the Guarantor agree that failure by a process agent to notify it of any process will not invalidate service. Nothing in clause shall affect the right to serve process in any other manner permitted by law.

(d) WITHOUT PREJUDICE TO CONDITION 14.1(B) ABOVE, THE ISSUER WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THE W&C SECURITIES. THESE CONDITIONS MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

14.2 French Law Securities

The French Law Securities, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (Cour d'Appel de Paris). Nothing in this Condition 14.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS

15.1 In respect of Debt Securities any reference in this Condition 15 to "Share" and "Share Company" shall be deemed to be references to "Debt Instruments" and "Debt Instrument Issuer" respectively in respect of such Debt Securities.

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption, unless specified otherwise in the applicable Final Terms;

"**Cancellation Event**" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the W&C Securities;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction

(including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

(a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or

(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the W&C Securities in issue or in holding, acquiring or disposing of any Hedge;

"**Currency Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

"**Failure to Deliver due to Illiquidity**" means, following the exercise of Physical Delivery Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the "**Affected Relevant Assets**") comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

"**Force Majeure Event**" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

(a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or

(b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or

(c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction;

"**Government Authority**" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"**Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the W&C Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the W&C Securities;

"**Hedging Shares**" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the W&C Securities;

"**Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the W&C Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

"**Increased Cost of Stock Borrow**" means that the Issuer and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) that is greater than the Initial Stock Loan Rate;

"**Initial Stock Loan Rate**" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"**Insolvency Filing**" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"**Jurisdiction Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the W&C Securities or in respect of any relevant hedging arrangements in connection with the W&C Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the W&C Securities) or the costs of so doing would (in the sole and

absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"**Loss of Stock Borrow**" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"**Maximum Stock Loan Rate**" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"**Optional Additional Disruption Event**" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"**Stop-Loss Event**" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

(a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;

(b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;

(c) in the case of Certificates,

(i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a

Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount; or

(d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or

(e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the W&C Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the W&C Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{InitialPrice} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant date of the Additional Disruption Event and/or Optional Additional Disruption Event.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

(i) is not already included in the Basket of Shares;

(ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and

(iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

(A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and

(B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

"**Failure to Deliver Settlement Price**" means, in respect of any relevant W&C Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, the fair market value of such W&C Security or Unit, as the case may be (taking into account the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and

absolute discretion, plus, in the case of Warrants, if applicable and already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion).

15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

This Condition 16 applies to Index Securities, Share Securities, ETI Securities, Commodity Securities, Debt Securities, Currency Securities and Futures Securities only.

16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant W&C Securities which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant W&C Securities which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

16.3 In respect of Index Securities, Share Securities, ETI Securities, Debt Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of W&C Securities other than Custom Index Securities or Debt Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities or Debt Securities, a Custom Index Disruption Event or Market Disruption Event, as applicable, is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Custom Index Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such day being a Commodity Disrupted Day or a Disrupted Day, as the case may be or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

16.5 In respect of W&C Securities other than Custom Index Securities or Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities, ETI Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of W&C Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

16.6 In respect of Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the exchange on which the relevant Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded and if on any Knock-in Determination Day or Knock-out Determination Day and at any time at which the Level triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event has occurred or is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

16.7 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

"**Knock-in Determination Day**" means the date(s) specified as such in the applicable Final Terms;

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

"**Knock-in Event**" means:

(a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or

(b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such

Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms;

"**Knock-in Level**" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-in Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of W&C Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Scheduled Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Scheduled Custom Index Business Day, as the case may be;

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of W&C Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Scheduled Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Scheduled Custom Index Business Day, as the case may be;

"**Knock-in Range Level**" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"**Knock-out Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

"**Knock-out Event**" means:

(a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or

(b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"**Knock-out Level**" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-out Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**Knock-out Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of W&C Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Scheduled Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Scheduled Custom Index Business Day, as the case may be;

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of W&C Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Scheduled Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Scheduled Commodity Business Day or Custom Index Business Day, as the case may be;

"**Knock-out Range Level**" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Knock-out Valuation Time**" means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time;

"**Level**" means, for the purposes of this Condition 16, (i) the "official level", "official close", "last price", "traded price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms, published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable, or (ii) if "Standard Level" is specified as applicable in the applicable Final Terms (a) in the case of Share Securities, ETI Securities, Debt Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case determined by the Calculation Agent as of the Knock-in Valuation Time or Knock-out Valuation Time on any Knock-in Determination Day or Knock-out Determination Day, as applicable, or, in the case of the "official close" level, at such time as the official close is published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable;

"**Relevant Adjustment Provisions**" means:

(a) in the case of Index Securities, Index Security Condition 2 (*Market Disruption*) and Index Security Condition 3 (*Adjustments to an Index*);

(b) in the case of Custom Index Securities, Custom Index Security Condition 6 (*Adjustments to a Custom Index and Custom Index Disruption*);

(c) in the case of Share Securities, Share Security Condition 2 (*Market Disruption*), Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 4 (*Extraordinary Events*);

(d) in the case of ETI Securities, ETI Security Condition 2 (*Market Disruption*) and ETI Security Condition 3 (*Potential Adjustment Events*);

(e) in the case of Commodity Securities, Commodity Security Condition 2 (*Market Disruption*) and Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

(f) in the case of Currency Securities, Currency Security Condition 2 (*Disruption Events*) and Currency Security Condition 3 (*Consequences of a Disruption Event*);

(g) in the case of Debt Securities, Debt Security Condition 3 (*Market Disruption*), Debt Security Condition 4 (*Correction of Debt Instrument Price*) and Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*); and

(h) in the case of Futures Securities, Futures Security Condition 3 (*Adjustments to a Future*); and

"**Underlying Reference**" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant W&C Securities relate.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

(a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the W&C Securities shall be redenominated in euro.

The election will have effect as follows:

(i) where the Settlement Currency of the W&C Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the W&C Securities will be made solely in euro as though references in the W&C Securities to the Settlement Currency were to euro;

(ii) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and

(iii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or

(b) require that the Calculation Agent make such adjustments to the Weighting and/or the Settlement Price and/or the Exercise Price (in the case of Warrants) and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting

and/or the Settlement Price and/or the Exercise Price (in the case of Warrants) and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Security Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In this Condition, the following expressions have the following meanings:

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Established Rate**" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"**euro**" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**National Currency Unit**" means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The English Law Securities do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such W&C Securities but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

19. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 20 to 25 apply to Warrants only.

20. DEFINITIONS (WARRANTS)

"**Actual Exercise Date**" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 24, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 24);

"**Averaging Date**" means, in respect of an Actual Exercise Date:

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:

(A) where the Warrants are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Warrants are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the level of the Component Security Index for the Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the relevant level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(ii) of the definition of "Valuation Date" below;

(C) where the Warrants are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in

respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(D) where the Warrants are Index Securities relating to a Basket of Component Security Indices, the Averaging Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and for each Component Security Index affected (each, an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below; or

(E) where the Warrants are Debt Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"**Cash Settlement Amount**" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, unless otherwise specified in the applicable Final Terms;

"**English Law Warrants**" means the Warrants specified in the applicable Final Terms as being governed by English law;

"**Entitlement**" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 23.3, as determined by the Calculation Agent including any documents evidencing such Entitlement;

"**Exercise Business Day**" means:

(a) in the case of Cash Settled Warrants, a day that is a Business Day; and

(b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"**Expiration Date**" means the last day of the Exercise Period;

"**French Law Warrants**" means the Warrants specified in the applicable Final Terms as being governed by French law;

"**Observation Date**" means each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date";

"**Observation Period**" means the period specified as the Observation Period in the applicable Final Terms;

"**Settlement Date**" means, unless specified otherwise in the applicable Final Terms:

(a) in relation to Cash Settled Warrants:

(i) (other than in respect of Commodity Securities or Inflation Index Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interest, Debt Instrument, Fund Share or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interest, Debt Instrument, Commodity or Commodity Index, Fund Share or Future, as the case may be; or

(ii) in respect of Commodity Securities or Inflation Index Securities, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"**Valuation Date**" means:

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Instruments or Futures Securities, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Warrants are Index Securities relating to a single Index (other than a Component Securities Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:

(I) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(II) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Warrants are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:

(I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

(II) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(iii) where the Warrants are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(iv) where the Warrants are Index Securities relating to a Basket of Component Security Indices, the Valuation Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and for each Component Security Index affected (each, an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:

(I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

(II) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected

Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"**Valuation Time**" means:

(a) the Valuation Time specified in the applicable Final Terms; or

(b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or

(c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. FORM OF WARRANTS

The form of Warrants is as set out in Condition 2.2 above.

22. TYPE OF WARRANTS

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**") or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

23. EXERCISE RIGHTS (WARRANTS)

23.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no exercise notice (as defined below) has been delivered in the manner set out in Condition 24, at or prior to 10.00 a.m. (Local Time) on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 24.6 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the Principal Security Agent and a copy thereof is delivered to the Issuer or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the Principal Security Agent or if a copy thereof is delivered to the Issuer, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 24.6 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 24.6 shall apply.

23.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject to certification as to non U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

(a) where Averaging is not specified in the applicable Final Terms:

(i) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;

(b) where Averaging is specified in the applicable Final Terms:

(i) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

23.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject to certification as to non U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole

unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 24.

Commodity Securities shall not be Physical Delivery Warrants.

23.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

24. EXERCISE PROCEDURE (WARRANTS)

24.1 Exercise Notice

Subject as provided in Condition 24.6, Warrants may only be exercised by the delivery in a manner acceptable to the Principal Security Agent of a duly completed exercise notice in the form set out in the Agency Agreement (copies of which form may be obtained from the Principal Security Agent) (an "**Exercise Notice**") to the Principal Security Agent with a copy to the Issuer in accordance with the provisions set out in Condition 23 and this Condition.

(a) In the case of Cash Settled Warrants, the Exercise Notice shall:

(i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

(ii) specify the number of the Holder's securities account at the Relevant Intermediary to be debited with the Warrants being exercised;

(iii) irrevocably instruct the Relevant Intermediary to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised;

(iv) specify details of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

(v) include an undertaking to pay all Expenses, and an authority to the Principal Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or instruct the Relevant Intermediary to debit a specified account of the Holder at the Relevant Intermediary and to pay such Expenses;

(vi) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person (as defined in the Exercise Notice) and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person (as defined in the Exercise Notice) in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the

securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and

(vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

(i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

(ii) specify the number of the Holder's securities account at the Relevant Intermediary to be debited with the Warrants being exercised;

(iii) irrevocably instruct the Relevant Intermediary to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised;

(iv) include an undertaking to pay the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable) and/ or irrevocably instruct the Relevant Intermediary to debit on the Actual Exercise Date a specified account of the Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);

(v) include an undertaking to pay all Expenses and/or instruct the Relevant Intermediary to debit a specified account of the Holder at the Relevant Intermediary in respect thereof and to pay such Expenses;

(vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;

(vii) in the case of Currency Securities only, specify the number of the Holder's account to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;

(viii) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person (as defined in the Exercise Notice) and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person (as defined in the Exercise Notice) in connection with any exercise thereof and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and

(ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Principal Security Agent during normal office hours.

If Condition 5.3(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

24.2 Verification of the Holder

Upon receipt of an Exercise Notice, the Principal Security Agent shall verify that the person exercising the Warrants is the holder thereof according to the books of the Relevant Intermediary. Subject thereto, the Principal Security Agent will confirm to the Issuer the series number and the number of Warrants being exercised and the account details of the Holder, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Principal Security Agent will instruct the Relevant Intermediary to on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the relevant Permanent Global Warrant, the Relevant Intermediary will, on the instructions of, and on behalf of the Principal Security Agent, note such exercise on the Schedule to such Permanent Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

24.3 Settlement

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Expenses.

(b) Physical Delivery Warrants

Subject as provided in Condition 23.3, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 23.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

24.4 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Principal Security Agent and shall be conclusive and binding on the Issuer, the Guarantor, if any, and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuer immediately after being delivered or sent to the Principal Security Agent shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Security Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the Principal Security Agent.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 23.1(a), in the case of American Style Warrants, or Condition 23.1(b), in the case of European Style Warrants, shall become void.

The Principal Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Issuer, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Principal Security Agent or the Relevant Intermediary shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

24.5 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

24.6 Automatic Exercise

(a) This Condition only applies if the Warrants are Cash Settled Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 23.1(a) or Condition 23.1(b).

(b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, provided that in order to receive the Cash Settlement Amount the Holders must notify the Principal Security Agent of details of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, exercised. The Principal Security Agent shall, upon receipt of the aggregate Cash Settlement Amount from the Issuer, instruct the Relevant Intermediary on or before the Settlement Date to debit the Holder`s securities account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid.

24.7 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the Principal Security Agent or, as the case may be, the Relevant Intermediary in relation to the performance of its duties in relation to the Warrants.

25. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

25.1 American Style Warrants

This Condition 25.1 applies only to American Style Warrants.

(a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the

applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

(b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

25.2 European Style Warrants

This Condition 25.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

26. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 27 to 35 apply to Certificates only.

27. DEFINITIONS

"**Averaging Date**" means:

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that

was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(A) where the Certificates are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Certificates are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the level of the Component Security Index for the Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(ii) of the definition of "Valuation Date" below;

(C) where the Certificates are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(iii) of the definition of "Valuation Date" below; and

(D) where the Certificates are Index Securities relating to a Basket of Component Security Indices, the Averaging Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and for each Component Security Index affected (each, an "**Affected Item**") by the occurrence of a

Disrupted Day, the Calculation Agent shall determine the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below; or

(E) where the Certificates are Debt Securities or Fund Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

(c) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

"**Cash Settlement Amount**" means, in relation to Cash Settled Certificates, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms or the following provisions:

(a) where "Turbo Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:

(i) if no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity; or

(ii) if a Knock-out Event has occurred, zero;

(b) where "Turbo Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:

(i) if no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity; or

(ii) if a Knock-out Event has occurred, zero;

(c) where "Turbo Pro Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Amount shall be equal to:

(i) if no Knock-in Event has occurred, the Issue Price; or

(ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero; or

(d) where "Turbo Pro Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:

(i) if no Knock-in Event has occurred, the Issue Price; or

(ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero.

The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as may be specified in the applicable Final Terms.

"**Cut-off Date**" means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the third Business Day immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the third Business Day immediately Preceding the Physical Settlement Date (or) if earlier, the tenth Business Day following the NOPS Effective Date of the Notice of Physical Settlement;

"**English Law Certificates**" means the Certificates specified in the applicable Final Terms as being governed by English law;

"**Entitlement**" means in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 34.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlements or (in the case of a Credit Certificate) the relevant obligations and/or other assets as specified in the Credit Security Conditions;

"**French Law Certificates**" means the Certificates specified in the applicable Final Terms as being governed by French law;

"**Observation Date**" means:

(a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date"; and

(b) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"**Observation Period**" means the period specified as the Observation Period in the applicable Final Terms;

"**Open End Certificate**" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in its sole and absolute discretion, subject to the other provisions of these Terms and Conditions;

"**Reference Banks**" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

"**Strike Price**" means the price specified as such in the applicable Final Terms;

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not or is deemed not to occur;

"**Valuation Date**" means:

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Certificates are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:

(I) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(II) in the case of Share Securities, ETI Securities, Debt Securities, or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Certificates are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:

(I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

(II) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is

continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(iii) where the Certificates are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(I) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(II) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

(iv) where the Certificates are Index Securities relating to a Basket of Component Security Indices, the Valuation Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and for each Component Security Index affected (each, an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and

method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:

(I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

(II) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

(b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and

(c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"**Valuation Time**" means:

(a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or

(b) (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or

(ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled

Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

28. FORM OF CERTIFICATES

The form of Certificates is set out in Condition 2.2 above.

29. TYPE OF CERFICATES

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

30. TITLE AND TRANSFER OF CERTIFICATES

Provisions relating to the title and transfer of Certificates are set out in Condition 2.2 above.

31. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**"):

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment Date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or

(ii) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period

End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

(iii) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

If no Business Day Convention is specified as applicable to an Interest Period End Date in the applicable Final Terms except as provided in the applicable Final Terms the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) the Interest Period End Final Date in respect of such Interest Period will amount to the Fixed Coupon Amount.

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**sub-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 one cent.

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 31(c) and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with Condition 31(e) in respect of each Interest Period (which expression shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 31(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (I) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (II) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 31(b)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (i) above, shall be

the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (ii) in the case of (ii) below, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

(B) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Certificates and Linked Interest Certificates will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

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

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

(C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) FBF Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**FBF Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to transactions on forward financial instruments (an "**FBF Agreement**"), as in effect on the date of issue of the Certificates, published by the *Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Certificate under which:

(A) the Issuer was the Floating Amount Payer;

(B) the Security Agent (as defined herein) was the Agent (as defined in the FBF Agreement) or as otherwise specified in the applicable Final Terms;

(C) the Interest Commencement Date was the Transaction Date;

(D) the Notional Amount in respect of a Certificate was the Notional Amount;

(E) the Interest Payment Dates were the Floating Amount Payment Dates; and

(F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (vi) below;

II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Security Agent in accordance with the preceding sentence; and

III. the Security Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all 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 (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request 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 at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, 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, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), 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 is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

(vi) Determination of Rate of Interest and Calculation of Interest Amount

In the case of Floating Rate Certificates and Linked Interest Certificates the Calculation Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period. In the case of Floating Rate Certificates and Linked Interest Certificates, the Calculation Agent will notify the Security Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subparagraphs (ii), (iii), (iv) or (v) above (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subparagraphs (ii), (iii), (iv) or (v) above (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End 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 (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

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

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**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 Interest Period End 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);

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

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

(iii) if "Actual/365 (sterling)" is specified in the applicable 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;

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

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable 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;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable 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;

(vii) if "30E/360 (ISDA)" is specified in the applicable 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 (A) that day is the last day of February or (B) 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 (A) that day is the last day of February but not the Redemption Date or (B) such number would be 31, in which case D_2 will be 30.

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

(d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

(e) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless such Certificate is redeemed early. If such Certificate is redeemed early, (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant payment date has not occurred on or prior to the due date for redemption of such Certificate, unless in either case payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

32. REDEMPTION (CERTIFICATES)

32.1 General

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate (other than a Credit Certificate) will be redeemed by the Issuer:

(a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or

(b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 34, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms relating to such Certificate (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 32.8 as specified in the applicable Final Terms.

32.2 Credit Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 10 (Additional Terms and Conditions for Credit Securities). If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any payment in respect of such delay.

32.3 Issuer Call Option

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given:

(a) not less than 15 nor more than 30 days' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) notice to the Holders in accordance with Condition 10; and

(b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any date fixed for redemption as specified in the applicable Final Terms (an "**Optional Redemption Date**") and at an amount (the "**Optional Redemption Amount**") specified in, or determined on the date (the "**Optional Redemption Valuation Date**") and in the manner specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption, the rights of Holders of Certificates will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of any relevant Clearing System (as the case may be).

32.4 Holder Put Option

If Holder Put Option is specified in the applicable Final Terms, upon the Holder of any Certificate giving to the Issuer not less than 15 nor more than 30 days' notice (or such other period specified in the applicable Final Terms (the "**Notice Period**")) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on any date fixed for redemption as specified in the applicable Final Terms (an "**Optional Redemption Date**") and at an amount (the "**Optional Redemption Amount**") specified in, or determined on the date (the "**Optional Redemption Valuation Date**") and in the manner specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as specified in the applicable Final Terms).

If a Certificate is represented by a Permanent Global Certificate, to exercise the right to require redemption of the Certificate the Holder of the Certificate must, within the Notice Period, give notice to the Principal Security Agent of such exercise in accordance with the standard procedures of SIS (which may include notice being given on his instruction by SIS for them to the Principal Security Agent by electronic means) in a form provided by the Principal Security Agent and acceptable to SIS from time to time and, if a Certificate is represented by a Permanent Global Certificate, at the same time present or procure the presentation of the relevant Permanent Global Certificate to the Principal Security Agent for notation accordingly.

Any Put Notice given by a Noteholder pursuant to this paragraph shall be irrevocable.

32.5 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

32.6 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

32.7 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

32.8 Automatic Early Redemption (Certificates)

This Condition 32.8 applies to Index Securities, Share Securities, ETI Securities, Currency Securities, Commodity Securities and Futures Securities only.

(a) If "Automatic Early Redemption" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date

upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"**Automatic Early Redemption Amount**" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) an amount equal to the product of (i) the Notional Amount in respect of each Certificate and (ii) the sum of the relevant Automatic Early Redemption Percentage and the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"**Automatic Early Redemption Event**" means that (a) in the case of a single Underlying Reference, the Underlying Reference Level or (b) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"**Automatic Early Redemption Level**" means the Level of the Underlying Reference specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**Automatic Early Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

"**Automatic Early Redemption Valuation Date**" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Scheduled Custom Index Business Day (in respect of Custom Index Securities) or a Commodity Business Day (in respect of Commodity Securities), as applicable, the next following Scheduled Trading Day, Scheduled Custom Index Business Day or Commodity Business Day, as applicable, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Automatic Early Redemption Valuation Date" and for the purposes of the Relevant Adjustment Provisions, any reference to "Valuation Date" shall be deemed to refer to the "Automatic Early Redemption Valuation Date";

"**Basket of Underlying References**" means, for the purposes of this Condition 32.8, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant W&C Securities may relate, as specified in the applicable Final Terms;

"**Basket Price**" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"**Relevant Adjustment Provisions**" means:

(a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);

(b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);

(c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);

(d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);

(e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption), Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index);

(f) in the case of Currency Securities, Currency Security Condition 3 (Consequences of a Disruption Event); and

(g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future);

"**Underlying Reference**" means, for the purposes of this Condition 32.8 each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant W&C Securities relate; and

"**Underlying Reference Level**" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

33. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

33.1 Payments

The Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or the relevant amount (if any) payable under the Credit Security Conditions (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate due to the Holders under the Certificates to the

Principal Security Agent. Upon receipt by the Principal Security Agent of the due and punctual payment of such funds in Switzerland, the Issuer and Guarantor shall be discharged from its obligations to Holders under such Certificates to the extent that such funds have been received by the Principal Security Agent as of such date.

The Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Principal Security Agent for value on the relevant Interest Payment Date. Upon receipt by the Principal Security Agent of the due and punctual payment of such funds in Switzerland, the Issuer and Guarantor shall be discharged from its obligations to Holders under such Certificates to the extent that such funds have been received by the Principal Security Agent as of such date.

Each Holder must look solely to the Principal Security Agent for his share of each such payment so made to, or to the order of, the Principal Security Agent.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent, the Cash Settlement Amount to be paid in respect of each OET Certificate.

If the determination of any amount in respect of interest due in respect of the Certificates on an Interest Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date shall be postponed to the day falling two Business Days following such Delayed Date and no interest or other amount shall be payable on the Certificates in respect of such delay.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

33.2 Physical Delivery

(a) Delivery

Delivery of the Entitlement(s) in respect of the Certificates in the form of Intermediated Securities will be made to the Holders on the due date for such delivery and in accordance with the rules and procedures applied by SIS from time to time.

The Issuer or, failing which, the Guarantor, if any, shall procure the delivery of the Entitlement or, in the case of Credit Securities, Delivery of the Deliverable Obligations, obligations and/or other assets comprising the Entitlement for each Certificate due to the Holders to the Principal Security Agent. Upon receipt by the Principal Security Agent of the due and punctual delivery of such Entitlement(s) in Switzerland, the Issuer and Guarantor (if applicable) shall be discharged from its obligations to Holders under such Certificates to the extent that such Entitlement has been received by the Principal Security Agent as of such date.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this Condition, the "**Delivery Date**") or (in the case of Credit Certificates) the Delivery Date (as defined in the Credit Security Conditions).

All Expenses arising from the delivery of the Entitlement or Delivery of the Deliverable Obligations, obligations and/or other assets comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations, obligations and/or other assets comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(b) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligations, obligations and/or other assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligations, obligations and/or other assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the Holder in accordance with the rules and procedures applied by SIS from time to time.

For such period of time after delivery or Delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities, obligations, assets or Deliverable Obligations comprising the Entitlement (the "**Intervening Period**"), none of the Issuer, the Guarantor, if any, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations, assets or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations, assets or Deliverable Obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations, assets or Deliverable Obligations.

(c) Commodity Securities shall not be Physical Delivery Certificates.

34. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor, if any, for payment of principal and/or interest in respect of the Certificates shall become void unless made within 60 months from the Redemption Date and no claims shall be made after such date.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Index Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional terms and conditions for Index Securities set out below (the "**Index Security Conditions**") and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Index Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Index Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the Index Security Conditions, the Index Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable, and/or (ii) the Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Index Security Conditions to "Security" or "Securities" shall be deemed to be references to "Note" and "Notes" or "W&C Security" and "W&C Securities" as the context admits.

1. Definitions

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant securities;

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Component Security**" means, in respect of a Composite Index, each component security of such Index;

"**Component Security Index**" means any Index specified as such in the applicable Final Terms or, if not so specified, any Index which the Calculation Agent determines to be such an Index;

"**Composite Index**" means any Index which is either a Component Security Index or a Multi-Exchange Index;

"**Disrupted Day**" means:

(a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and

(b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"**Early Closure**" means:

(a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one

hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

(b) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"**Exchange**" means:

(a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent; and

(b) in the case of any Index which is not a Composite Index, in respect of such Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

"**Exchange Business Day (All Indices Basis)**" means any Scheduled Trading Day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are open for trading during their respective regular trading session(s) in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time and (b) in respect of any Composite Indices, (i) the Index Sponsor publishes the level of such Composite Indices and (ii) each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

"**Exchange Business Day (Per Index Basis)**" means, in respect of an Index, any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during their regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index, (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"**Exchange Business Day (Single Index Basis)**" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if

any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"**Exchange Disruption**" means:

(a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and

(b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"**Index**" and "**Indices**" mean, subject to adjustment in accordance with this Annex 1, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"**Index Correction Period**" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms;

"**Multi-Exchange Index**" means any Index specified as such in the applicable Final Terms or, if not so specified, any Index which the Calculation Agent determines to be such an Index;

"**Related Exchange**" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"**Scheduled Trading Day**" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"**Scheduled Trading Day (All Indices Basis)**" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related

Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

"**Scheduled Trading Day (Per Index Basis)**" means, in respect of an Index, any day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s), and (b) in respect of a Composite Index, (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (ii) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

"**Scheduled Trading Day (Single Index Basis)**" means any day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (b) in respect of a Composite Index (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (ii) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

"**Settlement Cycle**" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the Note Conditions or the W&C Security Conditions, as the case may be:

(a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

(b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Notes or Certificates)) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"**Settlement Price Date**" means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

"**Trading Disruption**" means:

(a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any

Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and

(b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. Market Disruption

"**Market Disruption Event**" means:

(a) in respect of a Composite Index either:

(i) (A) the occurrence or existence, in respect of any Component Security, of:

(1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(3) an Early Closure in respect of such Component Security; and

(B) in respect of a Multi-Exchange Index only the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

In the case of a Multi-Exchange Index, for the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

(b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such

Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 **Successor Index Sponsor Calculates and Reports an Index**

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 **Modification and Cessation of Calculation of an Index**

If (a) on or prior to the Strike Date, the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on the Strike Date, an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then:

(a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Strike Date, that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

(b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(c) in the case of Notes or Certificates:

(i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of a Certificate) or at its nominal amount (in the case of a Note).

3.3 **Notice**

The Calculation Agent shall, as soon as practicable, notify the Security Agent, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent, shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Security Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Security Conditions 6 to 8 and the other Index Security Conditions, the provisions of Index Security Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Custom Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the Strike Date, the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on the Strike Date, a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

(a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:

(i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

(ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

(A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

(B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

(C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or

(D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(E) in the case of Notes or Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance

with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Conditions 10, as applicable; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes)at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

(b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:

(i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging

Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

(ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

(A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 (Definitions relating to Custom Indices) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

(B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

(C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or

(D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(E) in the case of Notes or Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to the

Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

(c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:

(i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;

(ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

(A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not

affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

(B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

(C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or

(D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of a Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(E) in the case of Notes or Certificates;

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent may require the Issuer to redeem the Securities, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed, the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (as the case may be) shall redeem each Security at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 **Notice**

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent, of any determination made by it pursuant to Index Security Condition 6.2 above and the action proposed to be taken in relation thereto and such Security Agent, shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

Unless otherwise specified in the applicable Final Terms:

"**Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"**Banking Day**" means any week day except for 25 December and 1 January in any year;

"**Basket**" and "**Basket of Custom Indices**" means a basket comprised of two or more Custom Indices;

"**Custom Index**" or "**Custom Indices**" mean, subject to adjustment in accordance with this Annex 1, any index or indices specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"**Custom Index Business Day**" means either (a) in the case of a single Custom Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"**Custom Index Business Day (All Indices Basis)**" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Custom Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Custom Indices in the Basket of Custom Indices;

"**Custom Index Business Day (Per Index Basis)**" means, in respect of a Custom Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Custom Index is calculated and made available and (b) it is Custom Index Trading Day;

"**Custom Index Business Day (Single Index Basis)**" means any Scheduled Custom Index Business Day on which (a) the level of the Custom Index is calculated and made available and (b) it is a Custom Index Trading Day;

"**Custom Index Correction Period**" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Index shall be disregarded for the purposes of any calculations to be made using the level of the Custom Index;

"**Custom Index Trading Day**" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Custom Index under the Securities;

"**Disrupted Day**" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"**Index Sponsor**" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"**Observation Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"**Observation Period**" means the period specified as the Observation Period in the applicable Final Terms;

"**Scheduled Custom Index Business Day**" means either (a) in the case of a single Custom Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"**Scheduled Custom Index Business Day (All Indices Basis)**" means any Banking Day (a) in respect of which the level of the Custom Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"**Scheduled Custom Index Business Day (Per Index Basis)**" means in respect of a Custom Index, any Banking Day (a) on which the level of the Custom Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"**Scheduled Custom Index Business Day (Single Index Basis)**" means any Banking Day on which (a) the level of the Custom Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be:

(a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Custom Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Custom Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

(b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Custom Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Custom Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"**Specified Maximum Days of Disruption**" means the number of days specified in the applicable Final Terms, or if not so specified, 20 Scheduled Custom Index Business Days;

"**Strike Date**" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"**Strike Price**" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

(a) in the case of Index Securities relating to a single Custom Index, an amount equal to the level of the Custom Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Custom Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and

(b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Custom Index comprising the Basket, an amount equal to the level of each such Custom Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Custom Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"**Valid Date**" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"**Valuation Date**" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Notes or Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"**Valuation Time**" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1:

(a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Notes or Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

(b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Notes or Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

The Disrupted Day provisions in the Note Conditions, the W&C Security Conditions and/or these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"**Current Exchange-traded Contract**" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 9.2 (Rolling Futures Contract Securities) below.

"**Exchange-traded Contract**" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"**Futures or Options Exchange**" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"**Futures Rollover Date**" means either:

(a) the date specified as such in the applicable Final Terms; or

(b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"**Non-Commencement or Discontinuance of the Exchange-traded Contract**" means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"**Official Settlement Price**" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

(a) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(b) in the case of Notes or Certificates:

(i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if

Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of Certificates) or at its nominal amount (in the case of Notes).

9.3 **Adjustments to an Exchange-traded Contract**

Without duplication of Index Security Condition 3 (Adjustments to an Index) or Index Security Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

9.5 **Correction of the Official Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price to be used shall be the Official Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Share Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional terms and conditions for Share Securities set out below (the "**Share Security Conditions**") and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Share Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Share Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable and (ii) the Share Security Conditions, the Share Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable and/or (ii) the Share Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Share Security Conditions to "Security" or "Securities" shall be deemed to be references to "Note" and "Notes" or "W&C Security" or "W&C Securities" as the context admits.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant Share;

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange

Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

"**Exchange Business Day (All Shares Basis)**" means, in respect of a Basket of Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"**Exchange Business Day (Per Share Basis)**" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"**Exchange Business Day (Single Share Basis)**" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share(s) on the Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share(s) on any relevant Related Exchange;

"**Extraordinary Event Effective Date**" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion;

"**Related Exchange**" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"**Relative Performance Basket**" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, (b) the worst performing, or (c) any other performance measure that is applied to the Shares, in each case as specified in the applicable Final Terms;

"**Scheduled Trading Day**" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"**Scheduled Trading Day (All Shares Basis)**" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

"**Scheduled Trading Day (Per Share Basis)**" means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

"**Scheduled Trading Day (Single Share Basis)**" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"**Settlement Cycle**" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the Note Conditions or the W&C Security Conditions, as the case may be:

(a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket of Shares, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and

(b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share

or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"**Settlement Price Date**" means the Strike Date, an Observation Date or the Valuation Date, as the case may be;

"**Shares**" and "**Share**" mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"**Share Company**" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"**Share Correction Period**" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (a) relating to the Share on the Exchange; or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

2. Market Disruption

"**Market Disruption Event**" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. Potential Adjustment Events

"**Potential Adjustment Event**" means any of the following:

(a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(c) an extraordinary dividend as determined by the Calculation Agent;

(d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;

(e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

"**Potential Adjustment Event Effective Date**" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

4.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an "**Extraordinary Event**", the consequences of which are set forth in Share Security Condition 4.2:

"**De-Listing**" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange

or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"**Illiquidity**" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the "**Relevant Period**"), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, "**MID**" means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"**Listing Change**" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"**Listing Suspension**" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"**Merger Event**" means, in respect of any relevant Shares, any:

(a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person,

(b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding),

(c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or

(d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event,

in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants), Redemption Date (in the case of Certificates) or Maturity Date (in the case of Notes).

"**Nationalisation**" means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Notes or Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below:

(a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;

(b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) in part by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the "**Settled Amount**") of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:

(i) pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and

(ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement

(in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable;

(c) in the case of Warrants, on giving notice to Holders in accordance with W&C Security Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10;

(d) in the case of Notes or Certificates;

(i) unless Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, redeem all but not some only of the Securities at the amount equal to the fair market value of a Security taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of Certificates) or at its nominal amount (in the case of Notes);

(e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and

Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

(f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (i) in the case of Notes or Certificates, in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

Initial Price (in the case of Notes or Certificates)/Exercise Price (in the case of Warrants) = A x (B/C)
where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is, in the case of Warrants, the Exercise Price, or, in the case of Notes or Certificates, the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the sole and absolute discretion of the Calculation Agent:

(i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary

share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or

(ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:

(A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and

(B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. Correction of Share Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Dividend Payment

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

(a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.

(b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual

Exercise Date (in the case of Warrants), the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.

(c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Security Condition 6 the following definitions shall apply:

"**Cash Dividend**" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"**Cash Dividend Amount**" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date;

"**Cash Dividend Payment Date**" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"**Distributed Amount**" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion;

"**Dividend Date**" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion; and

"**Dividend Expenses**" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Security Conditions 8 to 12 (inclusive) apply where "GDR/ADR" is specified in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"**ADR**" means an American Depositary Receipt;

"**Conversion Event**" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"**GDR**" means a Global Depositary Receipt; and

"**Underlying Shares**" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the Note Conditions or the W&C Security Conditions, as applicable, and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or

quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Notes or Certificates), (e) or (f), as applicable, of Share Security Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"**Share Event**" means each of the following events:

(a) written instructions have been given by the Issuer to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;

(b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

11. Potential Adjustment Event

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3:

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

12. Extraordinary Events

The following additional events shall be deemed added to the first paragraph of Share Security Condition 4.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as ETI Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional terms and conditions for ETI Securities set out below (the "**ETI Security Conditions**") and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as ETI Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the ETI Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the ETI Security Conditions, the ETI Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable Conditions and/or (ii) the ETI Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the ETI Security Conditions to "Security" or "Securities" shall be deemed to be references to "Note" or "Notes" or W&C Security" or "W&C Securities" as the context admits.

1. Definitions

"**Additional Extraordinary ETI Event**" means any event specified as such in the applicable Final Terms;

"**Basket Trigger Event**" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

"**Basket Trigger Level**" has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent;

"**Calculation Date**" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is an Exchange Business Day;

"**Clearance System**" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"**Dividend Event**" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange

Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"**ETI**" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"**ETI Basket**" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"**ETI Documents**" means, unless specified otherwise in the applicable Final Terms, with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"**ETI Interest(s)**" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"**ETI Interest Correction Period**" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"**ETI Related Party**" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"**Exchange**" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"**Exchange Business Day** (**All ETI Interests Basis**)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"**Exchange Business Day** (**Per ETI Interest Basis**)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"**Exchange Business Day** (**Single ETI Interest Basis**)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"**Extraordinary ETI Event Effective Date**" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

"**Final Calculation Date**" means the date specified as such in the applicable Final Terms;

"**Hedge Provider**" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"**Hedging Date**" has the meaning given to it in the applicable Final Terms;

"**Hedging Shares**" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"**Implied Embedded Option Value**" means an amount (which may never be less than zero) equal to the present value as of the Implied Embedded Option Value Determination Date, of any scheduled but unpaid payments under the Securities in respect of the period from (and including) the Extraordinary ETI Event Effective Date to (and including) the Settlement Date, Maturity Date or Redemption Date, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion but, notwithstanding anything to the contrary contained herein, taking into account, without limitation, such factors as the net proceeds actually received from the redemption or sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and any transaction costs;

"**Implied Embedded Option Value Determination Date**" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"**Initial Calculation Date**" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"**Investment/AUM Level**" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"**Loss of Stock Borrow**" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"**Maximum Stock Loan Rate**" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"**Merger Event**" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event, in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, "**Interests**" shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and "**Entity**" shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"**Non-Principal Protected Termination Amount**" means an amount per Security determined by the sum of:

(i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and

(ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"**Number of Value Publication Days**" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"**Principal Protected Termination Amount**" means an amount per Security determined as the sum of:

(i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms:

(A) the greater of:

(1) the Protected Amount; and

(2) the Implied Embedded Option Value; and

(B) the Simple Interest;

(ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the Implied Embedded Option Value;

"**Protected Amount**" means the amount specified as such in the applicable Final Terms;

"**Related Exchange**" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"**Scheduled Trading Day**" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"**Scheduled Trading Day (All ETI Interest Basis)**" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"**Scheduled Trading Day (Per ETI Interest Basis)**" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"**Scheduled Trading Day (Single ETI Interest Basis)**" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"**Settlement Cycle**" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date" in the Note Conditions or the W&C Security Conditions, as the case may be:

(i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging

Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and

(ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"**Simple Interest**" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and excluding) the later of (i) the Maturity Date or Redemption Date, as the case may be; or (ii) the date falling five Business Days after the Implied Embedded Option Value Determination Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

(A) the "Effective Date" is the Implied Embedded Option Value Determination Date;

(B) the "Termination Date" is the Termination Date;

(C) the "Floating Rate Payer Payment Date" is the Termination Date;

(D) the "Floating Rate Option" is EUR-EONIA-Swap Index (if the Settlement Currency is EUR) or USD-Federal Funds-H.15 (if the Settlement Currency is USD);

(E) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;

(F) the "Floating Rate Day Count Fraction" is Actual/360;

(G) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and

(H) "Compounding" is "Inapplicable";

"**Specified Maximum Days of Disruption**" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Termination Amount**" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Notes or Certificates, (x) the Principal Protected Termination Amount or (y) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value;

"**Termination Date**" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(d) or (ii) in the case of Notes or Certificates, if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Maturity Date or Redemption Date, as the case may be;

"**Trade Date**" has the meaning given to it in the applicable Final Terms;

"**Trading Disruption**" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"**Valuation Time**" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"**Value Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"**Value per ETI Interest**" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest

(howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"**Value per ETI Interest Trading Price Barrier**" means the percentage specified in the applicable Final Terms, or if not so specified, 5%;

"**Value per ETI Interest Trading Price Differential**" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"**Value per ETI Interest Trigger Event**" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"**Value Trigger Percentage**" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"**Value Trigger Period**" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"**Market Disruption Event**" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. Potential Adjustment Events

"**Potential Adjustment Event**" means any of the following:

(a) an extraordinary dividend as determined by the Calculation Agent;

(b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

"**Potential Adjustment Event Effective Date**" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant ETI or ETI Related Party, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion.

Following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether

such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary ETI Events

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), "**Extraordinary ETI Event**" means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

4.3 there exists any litigation against the ETI or an ETI Related Party which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or

4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;

4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);

4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or

4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

4.11 a material modification of the method of calculating the Value per ETI Interest;

4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;

4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;

4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;

4.15 a Value per ETI Interest Trigger Event occurs;

4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or

4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;

4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;

4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;

4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);

4.26 the occurrence of a Loss of Stock Borrow;

4.27 the occurrence of an Additional Extraordinary ETI Event;

4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. Determination of Extraordinary ETI Events

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event, the Issuer may determine which Extraordinary ETI Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. Consequences of an Extraordinary ETI Event

6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent shall give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") as soon as reasonably practicable following the determination of the Extraordinary ETI Event. The Extraordinary ETI Event Notice shall set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

Neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay in notifying Holders of the occurrence of on Extraordinary ETI Event, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to ETI Security Condition 6.2 below.

6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d).

(a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**No Action**", then the Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or

(ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

$$InitialPrice = A \times (B/C)$$

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the ETI Basket will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant Extraordinary ETI Event Effective Date.

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

(i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or

(ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives, investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(d) Termination

If the Issuer in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), (i) in the

case of Warrants, all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date or (ii) in the case of Notes or Certificates, all but not some only of the outstanding ETI Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

(e) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Debt Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional terms and conditions for Debt Securities set out below (the "**Debt Security Conditions**"), and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Debt Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Debt Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the Debt Security Conditions, the Debt Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable, and/or (ii) the Debt Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Debt Security Conditions to "Security" or "Securities" shall be deemed to be references to "Note" or "Notes" or "W&C Security" or "W&C Securities" as the context admits.

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date":

(a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument as (x) the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument (y) multiplied by the product of the nominal amount of such Debt Instrument and the relevant Weighting; and

(b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to (x) the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument (y) multiplied by the nominal amount of such Debt Instrument.

2. Exchange Business Day

"**Exchange Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Exchange Business Day Centre(s) specified in the applicable Final Terms.

3. Market Disruption

"**Market Disruption Event**" shall mean, in respect of a Debt Instrument, the suspension of or limitation imposed on trading either on any exchange on which such Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, that a Market Disruption Event has occurred.

4. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within the number of days equal to the Debt Instrument Correction Period of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Redemption or Cancellation of a Debt Instrument

Notwithstanding Note Condition 9 and W&C Security Condition 15, as applicable, if on or prior to the last Averaging Date or the last Valuation Date, any Debt Instrument is redeemed (including any early redemption) or cancelled by the relevant Debt Instrument Issuer (a "**Debt Instrument Redemption Event**"), then:

(a) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Debt Instrument Redemption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(b) in the case of Notes or Certificates:

(i) unless Delayed Redemption on Occurrence of Debt Instrument Redemption Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Debt Instrument Redemption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(ii) if Delayed Redemption on Occurrence of Debt Instrument Redemption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Debt Instrument Redemption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Debt Instrument Redemption Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes), as applicable, at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of a Certificate) or at its nominal amount (in the case of a Note).

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent of any determination made by it pursuant to this Debt Security Condition 5 and the action proposed to be taken in relation thereto and such Security Agent shall make available for inspection by Holders copies of any such determinations.

6. Futures Price Valuation

If "Futures Price Valuation" is specified as applicable in the applicable Final Terms the following provisions shall apply to these Debt Security Conditions:

"**Settlement Price**" means an amount equal to the Daily Settlement Price of the relevant Current Exchange-traded Contract as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies, "Scheduled Trading Day" will be deemed to mean a day on which the Daily Settlement Price of the relevant Current Exchange-traded Contract is scheduled to be published by the relevant Futures or Options Exchange.

If "Futures Price Valuation" applies, the Disrupted Day provisions in the Note Conditions, the W&C Security Conditions and/or these Debt Security Conditions will not apply in relation to any Current Exchange-traded Contract.

For these purposes:

"**Current Exchange-traded Contract**" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Debt Security Condition 7 (Rolling Futures Contract Securities) below.

"**Daily Settlement Price**" means the daily settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

"**Exchange-traded Contract**" means the futures or options contract(s) specified as such in the applicable Final Terms, in each case, identified by reference to (a) the Synthetic Debt Instrument to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"**Futures or Options Exchange**" means the relevant exchange specified in the description of the Exchange-traded Contract in the applicable Final Terms or any successor to such exchange.

"**Futures Rollover Date**" means either:

(a) the date specified as such in the applicable Final Terms; or

(b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"**Non-Commencement or Discontinuance of an Exchange-traded Contract**" means there is no Daily Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to the Valuation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Current Exchange-traded Contract.

Debt Security Condition 3 (Market Disruption), Debt Security Condition 4 (Correction of Debt Instrument Price) and Debt Security Condition 5 (Redemption or Cancellation of a Debt Instrument) will not apply if Futures Price Valuation applies.

If Futures Price Valuation applies, references in the Note Conditions or W&C Security Conditions, as applicable, and OET Certificate Conditions to a "Debt Instrument" or "Debt Instruments" are deemed to be references to a Current Exchange-traded Contract or "Current Exchange-traded Contracts", as applicable.

7. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Synthetic Debt Instrument that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of Debt Security Condition 8 (Adjustments to an Exchange-traded Contract) or Debt Security Condition 9 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

(a) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(b) in the case of Notes or Certificates:

(i) unless Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may

redeem the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed equal to the fair market value of such Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(ii) if Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of Certificates) or at its nominal amount (in the case of Notes).

8. Adjustments to an Exchange-traded Contract

In the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9. Non-Commencement or Discontinuance of an Exchange-traded Contract

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Issuer in its sole and absolute discretion may take the action described in (a) or (b) below or require the Calculation Agent to take the action described in (c) below:

(a) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less

the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10;

(b) in the case of Notes or Certificates:

(i) unless Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed equal to the fair market value of such Security taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(ii) if Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes), as the case may be, at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of a Certificate) or at its nominal amount (in the case of a Note); or

(c) (i) replace the relevant Exchange-traded Contract affected by the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Affected Exchange-traded Contract**") with a substitute Exchange-traded Contract (the "**Substitute Exchange-traded Contract**") which, in the Calculation Agent's sole and absolute discretion, has similar contract specifications to those of the Affected Exchange-traded Contract and (ii) make such adjustments to adjust such terms of the Securities as it determines in its sole and absolute discretion to be appropriate to preserve the economic position of the Holders prior to such replacement. Such replacement will be deemed to be effective as of the date selected by the Calculation Agent, in its sole and absolute discretion, and specified in the notice referred to below. The Substitute Exchange-traded Contract will be deemed to be an "**Exchange-traded Contract**" for the purposes of the Securities.

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent of any determination made by it pursuant to this Debt Security Condition 9 and the action proposed to be taken in relation thereto and such Security Agent shall make available for inspection by Holders copies of any such determinations.

10. Correction of the Daily Settlement Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Daily Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, within the number of days equal to the Daily Settlement Price Correction Period of the original publication, the Daily Settlement Price to be used shall be the Daily Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

11. Definitions

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant securities or contracts.

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

"**Daily Settlement Price Correction Period**" means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.

"**Debt Instrument Correction Period**" means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.

"**Debt Instrument Issuer**" means, in respect of a Debt Instrument, the issuer of such Debt Instrument.

"**Disrupted Day**" means any Scheduled Trading Day on which a Market Disruption Event has occurred.

"**Scheduled Trading Day**" means an Exchange Business Day.

"**Settlement Cycle**" means, in respect of a Debt Security or Exchange-traded Contract, the period of Clearance System Days following a trade in such security or contract, as the case may be, on the relevant exchange in which settlement will customarily occur according to the rules of such exchange.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Commodity Securities shall comprise the terms and conditions of the Notes (the "**Notes Conditions**") and the additional terms and conditions for Commodity Securities set out below (the "**Commodity Security Conditions**") and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Commodity Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Commodity Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the Commodity Security Conditions, the Commodity Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable, and/or (ii) the Commodity Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Commodity Security Conditions to "Security" and "Securities" shall be deemed to be references to "Note" or "Notes" or "W&C Security" or "W&C Securities" as the context admits.

1. Definitions

"**Basket Component**" means any Commodity or Commodity Index comprised in a Basket of Commodities;

"**Basket of Commodities**" means a basket comprising two or more Commodities and/or Commodity Indices;

"**Commodity**" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"**Commodity Business Day**" means:

(a) in respect of a Commodity or a Commodity Index:

(i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or

(ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or

(b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"**Commodity Disrupted Day**" means any day on which a Market Disruption Event has occurred;

"**Commodity Fallback Value**" means:

(i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the

relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

(ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:

(a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and

(b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the price of the Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"**Commodity Index**" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "**Index Component**");

"**Commodity Reference Price**" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"**Delivery Date**" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

(a) if the Securities are not Rolling Futures Contract Securities:

(i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;

(ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

(iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"**Disappearance of Commodity Reference Price**" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"**Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

"**Exchange**" means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Index Component comprising such Commodity Index;

"**Final Pricing Date**" or "**Final Interest Pricing Date**" means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"**Futures Contract**" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"**Futures Rollover Date**" means the date specified as such in the applicable Final Terms;

"**Index Component Disruption Event**" means:

(a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or

(b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"**Initial Pricing Date**" or "**Initial Interest Pricing Date**" means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Initial Interest Pricing Date";

"**Material Change in Content**" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"**Material Change in Formula**" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

"**Nearby Month**", when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (a) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following that Pricing Date; (b) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (c) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

"**Price Source**" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"**Price Source Disruption**" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"**Pricing Date**" or "**Interest Pricing Date**" means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a day on which a Market Disruption Event has occurred or is continuing, in which case where the Securities relate to:

(a) a single Commodity, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall determine the Relevant Price by applying the Commodity Fallback Value; or

(b) a Commodity Index or Basket of Commodities, the Calculation Agent shall determine the Relevant Price for the Commodity Index or each Basket Component, as the case may be, using the Commodity Fallback Value.

References in these Conditions to "Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Interest Pricing Date";

"**Reference Dealers**" means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

"**Relevant Price**" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Security Conditions and the applicable Final Terms;

"**Scheduled Pricing Date**" or "**Scheduled Interest Pricing Date**" means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to "Scheduled Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Scheduled Interest Pricing Date";

"**Settlement Price**" means, in respect of a single Commodity, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"**Specified Maximum Days of Disruption**" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"**Specified Price**" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms on the Pricing Date;

"**Tax Disruption**" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"**Trading Disruption**" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

(a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:

(i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or

(ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

(b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. Market Disruption

"**Market Disruption Event**" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

(a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition

(b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition

(c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. Consequences of a Market Disruption Event and Disruption Fallbacks

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in its sole and absolute discretion, take the action described in (a), (b) or (c) below:

(a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Notes and Certificates) and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or

(b) the Calculation Agent may substitute the relevant Commodity, Commodity Reference Price or Index Component with a Commodity or Index Component, as the case may be, selected by it in accordance with the criteria set out below (each, a "**Substitute Commodity**", "**Substitute Commodity Reference Price**" or a "**Substitute Index Component**") for each Commodity, Commodity Reference Price or Index Component (each, an "**Affected Commodity**" "**Affected Commodity Reference Price** " or "**Affected Index Component**", as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity, Substitute Commodity Reference Price or Substitute Index Component, as the case may be, will be deemed to be a "**Commodity**", "**Commodity Reference Price**" or an "**Index Component**", as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity, Commodity Reference Price or the Index Component, as the case may be, the initial price or level of each Substitute Commodity, Substitute Commodity Reference Price or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in its sole and absolute discretion.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Commodity Reference Price, the Substitute Commodity Reference Price shall be a benchmark, price or quotation selected by the Calculation Agent, acting in good faith and a commercially reasonable manner and which in its determination is or will be used by market participants as a substitute for the Affected Commodity Reference Price.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(c) the Issuer shall cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) all but not some only of the Securities, each Security being cancelled or redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

4. Adjustments to a Commodity Index

(a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

(b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then:

(i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or

(ii) the Issuer may cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security being cancelled or redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as

determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.

ANNEX 6

ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Inflation Index Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional terms and conditions for Inflation Index Securities set out below (the "**Inflation Index Security Conditions**"), and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Inflation Index Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Inflation Index Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the Inflation Index Security Conditions, the Inflation Index Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable, and/or (ii) the Inflation Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Inflation Index Security Conditions to "Security" or "Securities" shall be deemed to be references to "Note" or "Notes" or "W&C Security" and "W&C Securities" as the context admits.

1. Definitions

"**Cut-Off Date**" means, in respect of a Valuation Date, five Business Days prior to such Valuation Date;

"**Delayed Index Level Event**" means, in respect of any Valuation Date, that the Index Sponsor fails to publish or announce the Relevant Level;

"**Fallback Bond**" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a Cash Settlement Amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Settlement Date (in the case of Warrants), the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes), (b) the next longest maturity after the Settlement Date, the Redemption Date or the Maturity Date, as the case may be, if there is no such bond maturing on the Settlement Date, the Redemption Date or the Maturity Date, as the case may be, or (c) the next shortest maturity before the Settlement Date, the Redemption Date or the Maturity Date, as the case may be, if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or Cash Settlement Amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"**Index Cancellation**" means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Index exists;

"**Index Modification**" means, in relation to an Inflation Index, the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Inflation Index or in any other way materially modifies the Inflation Index;

"**Index Sponsor**" means the entity that publishes or announces (directly or through an agent) the level of the Inflation Index which as of the Issue Date of the Securities is the index sponsor set out in the applicable Final Terms;

"**Inflation Index**" or "**Inflation Indices**" means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly;

"**Rebased Index**" has the meaning given to it under Inflation Index Security Condition 4 (Adjustments) below;

"**Reference Month**" means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Reference Level was reported;

"**Related Bond**" means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Settlement Date or Redemption Date, as the case may be, unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

"**Related Bond Redemption Event**" means, if specified as applicable in the relevant Final Terms, at any time prior to the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) or Maturity Date (in the case of Notes), (a) the Related Bond is settled, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

"**Relevant Level**" means, in respect of any Valuation Date, the level of the Inflation Index, in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Settlement Date, Redemption Date or Maturity Date, as the case may be, at any time on or prior to the Cut-Off Date;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the Relevant Level;

"**Strike Date**" means the date specified as such in the applicable Final Terms;

"**Substitute Inflation Index Level**" means, in respect of a Delayed Index Level Event, the Index Level determined by the Issuer in accordance with Inflation Index Security Condition 2 (Delay in Publication) below.

"**Successor Inflation Index**" has the meaning given to it in Inflation Index Security Condition 3 (Successor Inflation Index) below; and

"**Valuation Date**" means the date (in the case of Warrants), or the Interest Valuation Date and/or the Redemption Valuation Date (in the case of Notes or Certificates) specified in the applicable Final Terms;

2. Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Valuation Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with

respect to such Valuation Date (the "**Substitute Inflation Index Level**") shall be determined by the Calculation Agent (subject to Inflation Index Security Condition 4.2 (Substitute Inflation Index Level) below, as follows:

(a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

(b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

(i) Substitute Inflation Index Level = Base Level x (Latest Level/Reference Level); or

(ii) otherwise in accordance with any formula specified in the relevant Final Terms,

where:

"**Base Level**" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined;

"**Latest Level**" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined; and

"**Reference Level**" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Index Security Condition 2 will be the definitive level for that Reference Month.

3. Successor Inflation Index

If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a "**Successor Inflation Index**") (in lieu of any previously applicable Index) for the purposes of the Securities as follows:

(a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Inflation Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;

(b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a

substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a "Successor Inflation Index";

(c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "Successor Inflation Index"; or

(d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Index Securities. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to holders of the Inflation Index Securities by the Issuer in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

4. Adjustments

4.1 **Successor Inflation Index**

If a Successor Inflation Index is determined in accordance with Inflation Index Security Condition 3 (Successor Inflation Index) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the final Cash Settlement Amount payable under the Securities (if any) and/or any other relevant term of the Securities as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

4.2 **Substitute Inflation Index Level**

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index Security Condition 2 (Delay in Publication) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (a) the Substitute Inflation Index Level determined in accordance with Inflation Index Security Condition 2 (Delay in Publication) above and/or (b) the Interest Amount (in the case of Notes or Certificates) and/or Cash Settlement Amount or Final Redemption Amount payable under the Securities (if any) and/or any other relevant term of the Securities, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

4.3 **Index Level Adjustment Correction**

(a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index Security Condition 4.6 (Index Modification) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Valuation Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Holders of any valid revision in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

(b) If, within 30 days of publication or at any time prior to a Valuation Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Valuation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any relevant Interest Amount (in the case of Notes or Certificates) and/or the Cash Settlement Amount or Final Redemption Amount payable under the Securities (if any) and/or any other relevant term of the Securities as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Holders of any such adjustment and/or amount in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

(c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Valuation Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Index Securities and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) to make any adjustment to any relevant Interest Amount (in the case of Notes or Certificates) and/or the Cash Settlement Amount or Final Redemption Amount payable under the Securities (if any) and/or any other relevant term of the Securities as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Holders of any determination in respect of (i) or (ii), together with any adjustment or amount in respect thereof, in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

4.4 **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency or Settlement Currency, as applicable, (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Cash Settlement Amount or Final Redemption Amount, the Exercise Price (in the case of Warrants) and/or any other relevant term of the Securities (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to any relevant Cash Settlement Amount and/or the Exercise Price (in the case of Warrants) and/or any Interest Amount (in the case of Notes or Certificates) and/or any other relevant term of the Securities as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

4.5 **Rebasing**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (a) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (b) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to any relevant Interest Amount (in the case of Notes or Certificates) and/or the Cash Settlement Amount or Final Redemption Amount payable under the Securities (if any) and/or any other term of the Securities as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (a) nor (b) above would produce a commercially reasonable result, the Issuer may cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) each Security on a date notified by the Issuer to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable in which event the Issuer will pay to each Holder in respect of each

such Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, an amount equal to the fair market value of a Security or a Unit, as the case may be, as determined by the Calculation Agent as at the date of cancellation taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, cancellation of the Securities or determination pursuant to this paragraph shall be given to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

4.6 **Index Modification**

(a) If on or prior to the Cut-Off Date in respect of any Valuation Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Securities (including, without limitation, the Cash Settlement Amount or Final Redemption Amount payable under the Securities), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (ii) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Index Securities (including, without limitation, any relevant Interest Amount (in the case of Notes or Certificates) and/or the Cash Settlement Amount or Final Redemption Amount payable under the Securities), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.

(b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Valuation Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Valuation Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Settlement Date (in the case of Warrants) or Interest Payment Date (in the case of Notes Certificates) and/or Redemption Date (in the case of Certificates) and/or Maturity Date (in the case of Notes), as the case may be, such that the provisions of paragraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with paragraph (a) above.

4.7 **Index Cancellation**

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may:

(a) elect for the Calculation Agent to calculate the relevant Interest Amount (in the case of Notes and Certificates) and/or Settlement Price using, in lieu of a published level for that Inflation Index, the level for that Inflation Index, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Inflation Index last in effect prior to cancellation;

(b) cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) all but not some only of the Securities on the date notified by the Issuer to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, in which event the Issuer will pay to each Holder in respect of such Security, or, in the case of Warrants if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him an amount equal to fair market value of a Security, or a Unit, as the case may be, as determined by the Calculation Agent as at the date of cancellation taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any cancellation of the Securities pursuant to this paragraph shall be given to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Currency Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional Terms and Conditions for Currency Securities set out below (the "**Currency Security Conditions**") and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Currency Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Currency Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the Currency Security Conditions, the Currency Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable, and/or (ii) the Currency Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Currency Security Conditions to "Security" and "Securities" shall be deemed to be references to "Note" or "Notes" or "W&C Security" or "W&C Securities" as the context admits.

1. Definitions

"**Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (Consequences of a Disruption Event) shall apply;

"**Dual Exchange Rate**" means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates;

"**Disrupted Day**" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred;

"**Illiquidity Disruption**" means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent or Issuer to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent or Issuer to hedge its obligations under the Securities (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source);

"**Observation Date**" means each date specified as an Observation Date in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the

opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (Consequences of a Disruption Event) shall apply;

"**Price Source**" means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the applicable Final Terms;

"**Price Source Disruption**" means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated;

"**Scheduled Trading Day**" means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Subject Currency or Subject Currencies;

"**Settlement Price Date**" means each Averaging Date, Strike Date, Observation Date or Valuation Date, as the case may be;

"**Specified Maximum Days of Disruption**" means the number of days specified in the applicable Final Terms, or if not so specified, five Scheduled Trading Days;

"**Strike Date**" means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (Consequences of a Disruption Event) shall apply;

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Valuation Date**" means the date (in the case of Warrants), or the Interest Valuation Date and/or the Redemption Valuation Date (in the case of Notes or Certificates) specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (Consequences of a Disruption Event) shall apply;

"**Valuation Time**" means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated; and

2. Disruption Events

Unless otherwise stated in the applicable Final Terms the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a Disruption Event:

(a) Price Source Disruption;

(b) Illiquidity Disruption;

(c) Dual Exchange Rate;

(d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c); or

(e) any other event specified in the applicable Final Terms.

The Calculation Agent shall give notice as soon as practicable to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on an Averaging Date or any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

"**Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Settlement Price in respect of a Base Currency, Subject Currency and/or Subject Currencies when a Disruption Event occurs or exists on a day that is an Averaging Date or a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (a), (b) (in the case of Warrants) or (c) (in the case of Notes or Certificates) below.

(a) if an Averaging Date or any Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of any Settlement Price Date) or Valid Date (in the case of an Averaging Date or Settlement Price Date that is not the Strike Date) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective, in the case of an Averaging Date or Settlement Price Date, of whether that last consecutive Scheduled Trading Day is already an Averaging Date or Settlement Price Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Base Currency, Subject Currency and/or Subject Currencies as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or

(b) in the case of Warrants, if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Valuation Date on giving notice to Holders in accordance with W&C Security Condition 10, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of such Warrant, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(c) in the case of Notes or Certificates:

(i) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and where Delayed Redemption on Occurrence of a Disruption Event is specified as not applicable in the applicable Final Terms, on giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, the Issuer shall redeem all but not some only of the Securities, each Security being redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable; or

(ii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and if Delayed Redemption on Occurrence of a Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Currency Disruption Amount**") as soon as practicable following the occurrence of the Disruption Event (the "**Calculated Currency Disruption Amount Determination Date**") and on the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Currency Disruption Amount plus interest accrued from and including the Calculated Currency Disruption Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) or the Maturity Date (in the case of Notes) at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of Certificates) or at its nominal amount (in the case of Notes); and/or

(d) notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related to such Averaging Date or Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be provided or announced by the Price Source), as the case may be (including the Redemption Date, Maturity Date or Settlement Date, as applicable) until the Business Day following the date on which a Disruption Event is no longer subsisting and no interest or other amount shall be paid by the Issuer in respect of such postponement.

4. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, and subject to Currency Security Condition 3 above:

(a) in the case of Currency Securities relating to a basket of Subject Currencies and in respect of a Subject Currency, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price

Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and

(b) in the case of Currency Securities relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent).

ANNEX 8

ADDITIONAL TERMS AND CONDITIONS FOR FUND SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Fund Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional terms and conditions for Fund Securities set out below (the "**Fund Security Conditions**") and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Fund Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Fund Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the Fund Security Conditions, the Fund Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable, and/or (ii) the Fund Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Fund Security Conditions to "Security" and "Securities" shall be deemed to be references to "Note" or "Notes" or "W&C Security" or "W&C Securities" as the context admits.

1. Definitions

"**Additional Extraordinary Fund Event**" means any event specified as such in the applicable Final Terms;

"**AUM Level**" has the meaning given to it in the applicable Final Terms, or if not so specified, with respect to (i) a Mutual Fund, EUR 50,000,000, or (ii) a Hedge Fund, EUR 50,000,000, or the equivalent in any other currency;

"**Basket Trigger Event**" means that an Extraordinary Fund Event occurs in respect of one or more Funds comprising the Fund Basket which has or, in the event that an Extraordinary Fund Event has occurred in respect of more than one Fund, together have, a Weighting in the Fund Basket equal to or greater than the Basket Trigger Level;

"**Basket Trigger Level**" has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent.;

"**Calculation Date**" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is a Fund Business Day;

"**Delayed Payment Cut-off Date**" has the meaning given in the applicable Final Terms or, if not so specified, the date falling two calendar years after the originally designated Maturity Date, Settlement Date, Redemption Date or Termination Date, as the case may be;

"**Extraordinary Fund Event Effective Date**" means, in respect of an Extraordinary Fund Event, the date on which such Extraordinary Fund Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

"**Fee**" has the meaning given to it in the applicable Final Terms;

"**Final Calculation Date**" means the date specified as such in the applicable Final Terms;

"**Fund**" means each Mutual Fund, Hedge Fund or Private Equity Fund;

"**Fund Basket**" means, where the Fund Securities are linked to the performance of Fund Shares of more than one Fund, a basket comprising such Fund Shares;

"**Fund Business Day**" means either (i) with respect to single Fund, Fund Business Day (Single Fund Share Basis), or (ii) in respect of a Fund Basket, either Fund Business Day (All Fund Shares Basis) or Fund Business Day (Per Fund Share Basis) as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Fund Business Day (Per Fund Share Basis) shall apply;

"**Fund Business Day (All Fund Shares Basis)**" means, with respect to a Fund Basket, a date (i) that is a Fund Valuation Date for all Fund Shares comprised in the Fund Basket, (ii) for which there has been a corresponding Fund Reporting Date in respect of each such Fund and (iii) on which the Hedge Provider has, or could have, a subscription or redemption order for each such Fund Share executed at the NAV per Fund Share published on the relevant Fund Reporting Date;

"**Fund Business Day (Per Fund Share Basis)**" means, with respect to a Fund Share, a date (i) that is a Fund Valuation Date in respect of such Fund Share, (ii) for which there has been a corresponding Fund Reporting Date and (iii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published on the relevant Fund Reporting Date;

"**Fund Business Day (Single Fund Share Basis)**" means with respect to a Fund Share, a date (i) that is a Fund Valuation Date, (ii) for which there has been a corresponding Fund Reporting Date and (iii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published on the relevant Fund Reporting Date;

"**Fund Documents**" means, unless specified otherwise in the applicable Final Terms, with respect to any Fund Share, the offering document of the relevant Fund in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such Fund Share and, for the avoidance of doubt, any other documents or agreements in respect of the Fund, as further described in any Fund Document;

"**Fund Reporting Date**" means, subject to the occurrence of an Extraordinary Fund Event, in respect of any Fund Share and a Fund Valuation Date, the date on which, in accordance with the Fund Documents, the relevant NAV per Fund Share is reported or published in respect of such Fund Valuation Date;

"**Fund Service Provider**" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms;

"**Fund Share(s)**" means an ownership interest issued to or held by an investor in a Fund or any other interest specified as such in the applicable Final Terms;

"**Fund Valuation Date**" means any date as of which, in accordance with the Fund Documents, the Fund (or the Fund Service Provider that generally determines such value) is or but for the occurrence of an Extraordinary Fund Event would have been scheduled to determine the NAV per Fund Share;

"**Hedge Fund**" means the hedge fund(s) specified as such in the applicable Final Terms;

"**Hedge Provider**" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"**Hedging Date**" has the meaning given to it in the applicable Final Terms;

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Share which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding a Fund Share at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"**Implied Embedded Option Value**" means an amount (which may never be less than zero) equal to the present value as of the Implied Embedded Option Value Determination Date of any scheduled but unpaid payments under the Securities in respect of the period from (and including) the Extraordinary Fund Event Effective Date to (and including) the Settlement Date, Maturity Date or Redemption Date, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion but, notwithstanding anything to the contrary contained herein, taking into account, without limitation, such factors as the net proceeds actually received from the redemption or sale of any Fund Shares by the Hedge Provider, the volatility of the Fund Shares and any transaction costs;

"**Implied Embedded Option Value Determination Date**" means the date determined by the Calculation Agent to be the earlier of (a) the date on which the Hedge Provider receives redemption proceeds in full in respect of its holding of Fund Shares (which for the avoidance of doubt, may be later than the Scheduled Settlement Date, Redemption Date or Maturity Date, as the case may be) or (b) the Delayed Payment Cut-off Date;

"**Initial Calculation Date**" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"**Merger Event**" means, in respect of any relevant Shares and Entity (as defined below), any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Extraordinary Fund Event Effective Date, as determined by the Calculation Agent, is on or before the Final Calculation Date. For the purposes of this definition "Merger Event" only, "**Shares**" shall mean the applicable Fund Shares or the shares of any applicable Fund Service Provider, as the context may require, and "**Entity**" shall mean the applicable Fund or any applicable Fund Service Provider, as the context may require.

"**Mutual Fund**" means the mutual fund(s) specified as such in the applicable Final Terms;

"**NAV per Fund Share**" means, with respect to the relevant Fund Shares and the Fund Reporting Date relating to such Fund Shares, (i) the net asset value per Fund Share as of the relevant Fund Valuation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share calculated by the

Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the number of Fund Shares issued and outstanding as of the relevant Fund Valuation Date;

"**NAV Trigger Event**" means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

"**NAV Trigger Percentage**" means the percentage specified in the applicable Final Terms or, if not so specified, with respect to (i) a Mutual Fund 50 per cent., or (ii) a Hedge Fund 50 per cent.;

"**NAV Trigger Period**" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date;

"**Non-Principal Protected Termination Amount**" means an amount per Security determined by the sum of:

(i) the Implied Embedded Option Value; and

(ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"**Number of NAV Publication Days**" means the number of calendar days specified in the applicable Final Terms or if not so specified, with respect to (i) a Mutual Fund, 5 calendar days, or (ii) a Hedge Fund, 10 calendar days;

"**Principal Protected Termination Amount**" means an amount per Security determined as the sum of:

(i) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms:

(A) the greater of:

(1) the Protected Amount; and

(2) the Implied Embedded Option Value; and

(B) the Simple Interest.

(ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is not specified as being applicable in the applicable Final Terms, the Implied Embedded Option Value;

"**Protected Amount**" means the amount specified as such in the applicable Final Terms;

"**Private Equity Fund**" means the private equity fund(s) specified as such in the applicable Final Terms;

"**Simple Interest**" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from (and including) the Implied Embedded Option Value Determination Date to (and excluding) the later of (i) the Redemption Date, Settlement Date or Maturity Date, as the case may be, or (ii) the date falling five Business Days after the Implied Embedded Option Value Determination Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

(A) the "Effective Date" is the Implied Embedded Option Value Determination Date;

(B) the "Termination Date" is the Termination Date;

(C) the "Floating Rate Payer Payment Date" is the Termination Date;

(D) the "Floating Rate Option" is EUR-EONIA-Swap Index (if the Settlement Currency is EUR) or USD-Federal Funds-H.15 (if the Settlement Currency is USD);

(E) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;

(F) the "Floating Rate Day Count Fraction" is Actual/360;

(G) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and

(H) "Compounding" is "Inapplicable";

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Termination Amount**" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Notes and Certificates, (x) the Principal Protected Termination Amount, or (y) the Non-Principal Protected Termination Amount, as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value (if any);

"**Termination Date**" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with Fund Security Condition 4.2(d), or (ii) in the case of Notes and Certificates, if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Redemption Date or Maturity Date, as the case may be;

"**Trade Date**" has the meaning given to it in the applicable Final Terms.

2. Extraordinary Fund Events

Subject to the provisions of Fund Security Condition 3 (Determination of Extraordinary Fund Events), "**Extraordinary Fund Event**" means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

2.1 the Fund or any Fund Service Provider (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable) (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by

it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

2.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

2.3 there exists any litigation against the Fund or a Fund Service Provider which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares; or

2.4 (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares;

Fund Service Provider/Key Person Events:

2.5 (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Shares or on the rights or remedies of any investor in such Fund Shares; or

2.6 one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

Modification Events:

2.7 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

2.8 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;

2.9 a material modification, or any announcement regarding a potential future material modification, of the Fund (including but not limited to a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relates (either alone or in common with other Fund Shares issued by the Fund);

2.10 the creation by the Fund of any illiquid share class or unit howsoever described;

2.11 the currency denomination of the Fund Shares is amended from that set out in the Fund Documents so that the NAV per Fund Share is no longer calculated in the same currency as it was as at the Trade Date;

2.12 if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction; or

2.13 following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Securities;

NAV per Fund Share/AUM Level Events:

2.14 a material modification of the method of calculating the NAV per Fund Share;

2.15 any change in the periodicity of the calculation or the publication of the NAV per Fund Share;

2.16 any suspension of the calculation or publication of the NAV per Fund Share;

2.17 the occurrence of any event affecting a Fund Share that, in the sole and absolute discretion of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Share;

2.18 any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;

2.19 any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Share when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);

2.20 the assets under management of the Fund falls below the AUM Level;

2.21 (i) the Calculation Agent determines, at any time, that the NAV per Fund Share is inaccurate, or (ii) the reported net asset value of the Fund Shares misrepresents the net asset value of the Fund Shares;

2.22 a NAV Trigger Event occurs; or

2.23 (i) in the case of a Hedge Fund only, the audited net asset value of the Fund and/or the NAV per Fund Share is different from the audited net asset value of the Fund and/or the NAV per Fund Share communicated by the relevant Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund and/or the NAV per Fund Share to be representative of the actual net asset value of the Fund and/or the NAV per Fund Share;

Reporting Events:

2.24 any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Share; or

2.25 any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;

Tax/Law/Accounting/Regulatory Events:

2.26 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

2.27 (i) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Fund is required by a competent authority to redeem any Fund Shares, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund

Shares or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Shares, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

2.28 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Hedge Provider to any loss), purchase or sell the relevant Fund Shares or any underlying assets of or related to the Fund or for the Hedge Provider to maintain such hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

2.29 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;

2.30 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary to hedge the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem a Fund Share, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Share, or (B) any mandatory redemption, in whole or in part, of such Fund Share; or

2.31 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Dealing Events:

2.32 (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit) (ii) the Fund suspends or refuses transfers of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Hedge Provider or

exercises its right to claw back the proceeds already paid on redeemed Fund Shares, if in any case it could in the sole and absolute determination of the Calculation Agent have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Securities, or (iv) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason;

Miscellaneous Events:

2.33 the occurrence of any Additional Extraordinary Fund Event;

2.34 in the case of Securities linked to a Fund Basket, a Basket Trigger Event occurs;

2.35 the Fund or any Fund Service Provider defaults under, materially modifies, or terminates any rebate agreements in place with the Issuer, the Hedge Provider or any of its Affiliates;

2.36 if the Fund is part of an umbrella structure with more than one sub-fund, a cross-contamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds;

2.37 any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or

2.38 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider or any parent company (howsoever described) of the Fund, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's).

References solely in this Fund Security Condition 2 (Extraordinary Fund Events) to:

(i) "**Fund**" shall include the Fund and any funds in which it invests any of its investible assets from time to time;

"**Fund Shares**" shall include the Fund Shares and the shares or units in any Fund (as defined in paragraph (i) above).

3. Determination of Extraordinary Fund Events

The Calculation Agent will determine if an Extraordinary Fund Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary Fund Event, the Issuer may determine which Extraordinary Fund Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary Fund Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

4. Consequences of an Extraordinary Fund Event

4.1 If the Calculation Agent determines that an Extraordinary Fund Event has occurred, the Calculation Agent will give notice (an "**Extraordinary Fund Event Notice**") to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable (which notice shall be irrevocable), of the occurrence of such Extraordinary Fund Event (the date on which an Extraordinary Fund Event Notice is given, an "**Extraordinary Fund Event Notification Date**") as soon as reasonably practicable following the determination of an Extraordinary Fund Event. The Extraordinary Fund Event Notice shall set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary Fund Event pursuant to Fund Security Condition 4.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary Fund Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, as soon as reasonably practicable after the Extraordinary Fund Event Notification Date.

Neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay in notifying Holders of the occurrence of an Extraordinary Fund Event, howsoever arising. If the Calculation Agent gives an Extraordinary Fund Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to Fund Security Condition 4.2 below.

4.2 Following the occurrence of an Extraordinary Fund Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d), provided that, if the Calculation Agent determines that an Extraordinary Fund Event has occurred or is continuing on the Delayed Payment Cut-off Date in accordance with the provisions of Fund Security Condition 5 below, the Issuer shall determine that the action to be taken in respect of the Extraordinary Fund Event is "Termination".

(a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**No Action**", then the Fund Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Adjustment**", then the Calculation Agent may determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Share and/or the Weighting and/or (in the case of Warrants) the Exercise Price and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms (including adjusting any Fee) to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action in respect of the Extraordinary Fund Event is to be "**Substitution**", the Calculation Agent shall:

(i) determine the weighted average price at which a Hypothetical Investor can redeem the Fund Shares in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable following the Extraordinary Fund Event;

(ii) for a period of not longer than 14 calendar days following the date on which a Hypothetical Investor would have received proceeds from a redemption order in full submitted by the Hedge Provider as soon as practicable following the occurrence of an Extraordinary Fund Event, use reasonable efforts to substitute the Fund Shares with shares, units or other similar interests in an alternative fund which, in the sole and absolute determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;

(iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, use reasonable efforts to substitute the Fund with an index (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion; and

(iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Issuer may, in its sole and absolute discretion, require the Calculation Agent make such determinations and/or adjustments to these Terms and Conditions and/or the Final Terms as it determines to be appropriate to take account of such Substitution.

(d) Termination

If the Issuer determines, in its sole and absolute discretion, that the action to be taken in respect of the Extraordinary Fund Event is to be "**Termination**", on giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable (which such notice may be included in the Extraordinary Fund Event Notice in respect of the relevant Extraordinary Fund Event and will specify the Termination Date), (i) in the case of Warrants, all but not some only of the outstanding Fund Securities shall be cancelled by payment of the Termination Amount on the Termination Date, or (ii) in the case of Notes or Certificates, all but not some only of the outstanding Fund Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

(e) General

In determining to take a particular action as a result of an Extraordinary Fund Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary Fund Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

5. Interest Payment Date/Maturity Date/Settlement Date/Redemption Date Extension

In the case of Cash Settled Securities, if on the date falling two Business Days prior to the originally designated Settlement Date, Redemption Date or Maturity Date, as the case may be, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Shares (the "**Redemption Proceeds**"), the Calculation Agent may postpone the Settlement Date, Redemption Date or Maturity Date, as the case may be, and notify the Holders thereof in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, (such notice the "**Delayed Payment Notice**") and cancel (in the case of Warrants) or redeem (in the case of Notes or Certificates) the Securities on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Settlement Date**") by payment to each Holder of the Cash Settlement Amount or the Final Redemption Amount, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on (and including) the Delayed Payment Cut-off Date, the Calculation Agent shall determine that an Extraordinary Fund Event has occurred and is continuing on the Delayed Payment Cut-off Date and shall notify Holders thereof in accordance with the procedures set out in Fund Security Condition 4 above, and in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, and the provisions of Fund Security Condition 4.2(d) shall apply.

In the case of interest bearing Securities, if on the date falling two Business Days prior to an Interest Payment Date, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Shares (the "**Redemption Proceeds**"), the Calculation Agent may postpone the Interest Payment Date and notify the Holders thereof in accordance with Note Condition 16 or W&C Security Condition 10, as applicable.

As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as applicable, (such notice the "**Delayed Payment Notice**") and the Issuer shall pay the Interest Amount in respect of the Interest Period on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Settlement Date**") and no additional amount shall be payable in respect of such delay, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on (and including) the Delayed Payment Cut-off Date, the Calculation Agent shall determine that an Extraordinary Fund Event has occurred and is continuing on the Delayed Payment Cut-off Date and shall notify Holders thereof in accordance with the procedures set out in Fund Security Condition 4 above, and in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, and the provisions of Fund Security Condition 4.2(d) shall apply.

ANNEX 9

ADDITIONAL TERMS AND CONDITIONS FOR FUTURES SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Futures Securities shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the additional terms and conditions for Futures Securities set out below (the "**Futures Security Conditions**") and the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Futures Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions**") and the Futures Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable and (ii) the Futures Security Conditions, the Futures Security Conditions shall prevail. In the event of any inconsistency between (a)(i) the Note Conditions or the W&C Security Conditions, as applicable and/or (ii) the Futures Security Conditions and (b) the Final Terms, the Final Terms shall prevail. References in the Future Security Conditions to "Security" and "Securities" shall be deemed to be references to "Note" or "Notes" or "W&C Security" or "W&C Securities" as the context admits.

1. Definitions

"**Basket of Futures**" means a basket composed of each Future specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant Future(s);

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session(s) or on which a Market Disruption Event has occurred;

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s), at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day;

"**Exchange**" means, in relation to a Future, each exchange or quotation system specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Future on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Future, Exchange Business Day (Single Future Basis) or (b) in the case of a Basket of Futures, Exchange Business Day (All Futures Basis) or Exchange Business Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

"**Exchange Business Day (All Futures Basis)**" means, in respect of all Futures comprised in a Basket of Futures, any Scheduled Trading Day on which each Exchange is, in respect of such Futures, open for trading during its regular trading session(s) notwithstanding such Exchange closing prior to its Scheduled Closing Time;

"**Exchange Business Day (Per Future Basis)**" means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

"**Exchange Business Day (Single Future Basis)**" means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures on the Exchange;

"**Future**" or "**Futures**" means, subject to adjustments in accordance with this Annex 9, in the case of an issue of Securities relating to a single Future, the futures contract and, in the case of an issue of Securities relating to a Basket of Futures, each futures contract, specified in the applicable Final Terms, and related expressions shall be construed accordingly;

"**Futures Correction Period**" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"**Scheduled Trading Day**" means either (a) in the case of a single Future, Scheduled Trading Day (Single Future Basis) or (b) in the case of a Basket of Futures, Scheduled Trading Day (All Futures Basis) or Scheduled Trading Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

"**Scheduled Trading Day (All Futures Basis)**" means, in respect of all Futures comprising the Basket of Futures, any day on which each Exchange is, in respect of such Futures, scheduled to be open for trading during its regular trading session(s);

"**Scheduled Trading Day (Per Future Basis)**" means, in respect of a Future, any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

"**Scheduled Trading Day (Single Future Basis)**" means any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

"**Settlement Cycle**" means, in respect of a Future, the period of Clearance System Days following a trade in the Future on the Exchange on which settlement will customarily occur according to the rules of such Exchange;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Averaging Date", "Observation Date", "Strike Date" or "Valuation Date" in the W&C Security Conditions, as the case may be:

(a) in the case of Futures Securities relating to a Basket of Futures and in respect of each Futures comprising the basket, an amount equal to the official closing price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

(b) in the case of Futures Securities relating to a single Future, an amount equal to the official price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the

applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

2. Market Disruption

"**Market Disruption Event**" means, in relation to Securities relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, or an Observation Date, a Valuation Date or the Strike Date (in the case of Certificates).

3. Adjustments to a Future

3.1 **Futures Modification, Futures Replacement or Futures De-Listing**

If, on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, (a) the relevant Exchange makes or announces that it will make a material change in the conditions of the Future(s) (a "**Futures Modification**"), (b) the relevant Exchange replaces the Future by a new Future contract to be substituted to the Future (a "**Futures Replacement**") or (c) the relevant Exchange announces that the relevant Future cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union) (a "**Futures De-Listing**" and, together with a Futures Modification and a Futures Replacement, each a "**Futures Adjustment Event**"), then:

(a) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine if such Futures Modification or Futures Replacement has a material effect on the Securities and, if so, shall use the Future(s) so modified or replaced in lieu of the initial Future with respect to the relevant Securities; or

(b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with W&C Security Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, being cancelled an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manners as shall be notified to the Holders in accordance with W&C Security Condition 10; or

(c) in the case of Notes or Certificates;

(i) unless Delayed Redemption on Occurrence of Futures Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Note Condition 16 or W&C Security Condition 10, as the case may be. If the Securities are so redeemed the Issuer will pay an amount to each Holder in

respect of each Security being redeemed at an amount equal to the fair market value of a Security, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Note Condition 16 or W&C Security Condition 10, as the case may be; or

(ii) if Delayed Redemption on Occurrence of Futures Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Futures Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Futures Adjustment Amount**") as soon as practicable following the occurrence of the Futures Adjustment Event (the "**Calculated Futures Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Futures Adjustment Amount plus interest accrued from and including the Calculated Futures Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

3.2 **Notice**

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent of any determination made by it pursuant to paragraph 3.1 above and the action proposed to be taken in relation thereto and the Calculation Agent shall make available for inspection by Holders copies of any such determinations.

4. Correction of Futures Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Future(s) published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Futures Correction Period of the original publication, the price to be used shall be the price of the relevant Future(s) as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

ANNEX 10

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT SECURITIES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Notes specified in the applicable Final Terms as Credit Securities shall comprise the terms and conditions of Notes (the "**Note Conditions**") and the additional Terms and Conditions for Credit Securities set out below (the "**Credit Security Conditions**") and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Credit Securities shall comprise the terms and conditions of W&C Securities (the "**W&C Security Conditions**") and the Credit Security Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Note Conditions or the W&C Security Conditions, as applicable, and (ii) the Credit Security Conditions, the Credit Security Conditions, as applicable, shall prevail. References to "Security" and "Securities" shall be deemed to be references to "Note" or "Notes" or "W&C Security" or "W&C Securities" as the context admits.

Part A

The provisions of this Part A apply in relation to Credit Securities unless the Final Terms of such Credit Securities specify that Part B of this Annex 10 shall apply.

Part A-1

2014 Definitions

The provisions of this Part A-1 apply in relation to Credit Securities unless the Final Terms of such Credit Securities specify that "2014 Definitions" are not applicable, or that "2003 Definitions (as supplemented by July 2009 Supplement)" shall apply.

1. General

(a) Credit Terms

The Final Terms shall specify:

(a) the type of Credit Securities, being Single Reference Entity Credit Securities, Nth-to-Default Credit Securities, Linear Basket Credit Securities, Untranched Credit Securities, Tranched Credit Securities and/or Combination Credit Securities;

(b) the Settlement Method (if not Auction Settlement) and, where Auction Settlement applies, the applicable Fallback Settlement Method;

(c) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;

(d) the Reference Obligation(s) (if any) in respect of each Reference Entity;

(e) the Trade Date and (in the case of Credit Notes) the Maturity Date, (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Warrants) the Expiration Date;

(f) the Transaction Type applicable to each Reference Entity; and

(g) the Reference Entity Notional Amount in respect of each Reference Entity.

(b) Physical Settlement Matrix

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, then the provisions of these Credit Security Conditions shall apply with respect to such Reference Entity in accordance with the Physical Settlement Matrix as it applies to such Transaction Type, as though such Physical Settlement Matrix were set out in full in the Final Terms.

(c) Additional Provisions

If, in accordance with the specified Transaction Type or otherwise, any Additional Provisions are applicable, these Credit Security Conditions shall take effect subject to the provisions thereof.

(d) Linear Basket Credit Securities and Untranched Credit Securities

If the Credit Securities are Linear Basket Credit Securities or Untranched Credit Securities, then (subject to Credit Security Condition 1(e) (*Untranched Credit Securities and Tranched Credit Securities*) below) the provisions of these Credit Security Conditions relating to:

(i) redemption or expiration absent an Event Determination Date (provided that such redemption shall occur on the Latest Credit Security Settlement Date and Credit Security Condition 3(b) (*Interest following Scheduled Maturity*) shall not apply, and no interest shall accrue from (and including) the Redemption Date or, as the case may be, Maturity Date);

(ii) redemption or settlement of Credit Securities following the occurrence of an Event Determination Date (provided that to the extent the relevant Auction Settlement Date or Cash Settlement Date would otherwise fall after the Latest Credit Security Settlement Date, then such Auction Settlement Date or Cash Settlement Date shall be deemed instead to fall on the latest to occur of the Auction Settlement Dates and/or Cash Settlement Dates in relation to each of the Reference Entities);

(iii) extension of maturity of Credit Securities on delivery of an Extension Notice;

(iv) accrual, cessation of accrual, calculation and/or payment of interest or any suspension thereof or accrual and payment of interest following (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date,

shall apply separately with respect to each Reference Entity and a portion of each Credit Security corresponding to the Reference Entity Notional Amount divided by the number of Credit Securities then in issue (subject to the provisos above). The remaining provisions of these Credit Security Conditions shall be construed accordingly.

No interest shall be payable in respect of any postponement of the payment of any interest, redemption amount, cash settlement amount or any other amounts.

(e) Untranched Credit Securities and Tranched Credit Securities

The following provisions shall apply in respect of Credit Securities that are Untranched Credit Securities or Tranched Credit Securities:

(i) If the Outstanding Principal/Notional Amount or (in the case of Credit Notes) the aggregate outstanding principal amount or (in the case of Credit Certificates) the aggregate outstanding Notional Amount is reduced to zero, the Credit Securities will be deemed to have been redeemed in full at an amount equal to zero (or, in the case of Tranched Credit Securities, by payment of an amount equal to the Aggregate Incurred Recovery Amount (if any) per Tranched Credit Security on the Final Settlement Date, and, for the avoidance of doubt, no interest shall accrue or be payable in respect of any Aggregate Incurred Recovery Amount or any payment or postponement of payment thereof) and the Issuer shall have no further obligations in respect of the Credit Securities.

(ii) Where the Reference Portfolio is determined by reference to a Relevant Annex, then notwithstanding Credit Security Condition 6 (*Successors*), the Reference Portfolio from time to time (together with, in respect of each relevant Reference Entity, the Reference Entity weighting, Reference Obligations and Substitute Reference Obligations) shall be as determined and published from time to time by the relevant Index Sponsor, as specified in the applicable Final Terms. In addition, the Calculation Agent may rely on any determinations of the relevant Index Sponsor and neither the Issuer nor the Calculation Agent will have any liability to the Holders or any other person as a result of relying on any such determination.

(iii) Credit Security Condition 3(b) (*Interest following Scheduled Maturity*) shall not apply, and no interest shall accrue from (and including) the Redemption Date or, as the case may be, Maturity Date. No interest shall be payable in respect of any postponement of the payment of any interest, redemption amount, cash settlement amount or any other amounts.

(f) Tranched Credit Securities

In addition, the following provisions shall apply in respect of Credit Securities that are Tranched Credit Securities:

(i) If an Event Determination Date occurs in respect of a Reference Entity, then the Outstanding Principal/Notional Amount and (in the case of Credit Notes) the aggregate outstanding principal amount or (in the case of Credit Certificates) the aggregate outstanding Notional Amount shall be reduced by the Writedown Amount with effect from and including the Event Determination Date, subject to Credit Security Condition 3(a) (*Cessation of Interest Accrual*). In the case of Credit Certificates, the Cash Settlement Amount per Credit Certificate shall be reduced correspondingly by a pro rata share determined by reference to the proportion of the Writedown Amount to the aggregate outstanding Notional Amount of the Credit Certificates.

For the avoidance of doubt, Credit Security Condition 2(b) (*Redemption or Settlement following Event Determination Date*) (other than the last paragraph thereof) shall not apply, and notwithstanding the applicable Settlement Method or Fallback Settlement Method, there shall be no physical delivery or Auction Settlement Amount or Credit Event Cash Settlement Amount payable.

(ii) Unless the Credit Securities have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Security Conditions 2(b), 2(c) or 2(d)), the Issuer will redeem each Tranched Credit Security on the Latest Credit Security Settlement Date by payment of an amount equal to (in the case of Credit Certificates) the remaining Cash Settlement Amount or (in the case of Credit Notes) the outstanding principal amount of such Credit Security (together with interest, if any, payable thereon) plus the Aggregate Incurred Recovery Amount (if any) per Tranched Credit Security, provided that (unless "Zero Recovery" is specified as applicable in the Final Terms) if an Unsettled Credit Event has occurred, (A) a Redemption Preliminary Amount will be payable on the Latest Credit Security Settlement Date and a Redemption Residual Amount will be payable on the Final Settlement Date, and (B) the Aggregate Incurred Recovery Amount (if any) in respect of each Tranched Credit Security shall be payable on the Final Settlement Date instead of the Latest Credit Security Settlement Date.

For the avoidance of doubt, no interest shall accrue or be payable in respect of any Aggregate Incurred Recovery Amount or any payment or postponement of payment thereof.

(iii) If the Calculation Agent determines in relation to any Reference Entity:

(A) without prejudice to the sub-paragraphs below, that a Credit Event has occurred or may occur on or prior to any Interest Payment Date;

(B) that a Potential Failure to Pay has occurred or may occur on or prior to any Interest Payment Date;

(C) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to any Interest Payment Date;

(D) that a Credit Event Resolution Request Date has occurred or may occur on or prior to any Interest Payment Date; or

(E) (unless "Zero Recovery" is specified as applicable in the Final Terms) that an Unsettled Credit Event has occurred,

then interest (if any) on such Tranched Credit Security shall be deemed to cease to accrue on the relevant portion thereof equal to the sum of the maximum Incurred Loss Amounts and maximum Incurred Recovery Amounts which could be determined (assuming an Auction Final Price, Weighted Average Final Price or Final Price of zero) (a "**Deemed Interest Reduction**") with effect from and including the Interest Period End Date (or, if none, the Interest Commencement Date) immediately preceding the date of such determination or (in the case of the occurrence of an Unsettled Credit Event) the relevant date applicable pursuant to Credit Security Condition 3(a) (*Cessation of Interest Accrual*). In such case, the related Interest Shortfall Amount (if any) shall be payable on the related Interest Shortfall Payment Date. No interest shall be payable in respect of any such postponement of payment of any Interest Shortfall Amount or any other interest or other amounts.

(iv) If any day is a Final Price Calculation Date with respect to more than one Reference Entity, the Loss Amount, the Recovery Amount, the Incurred Loss Amount and the Incurred Recovery Amount (if applicable) with respect to each Reference Entity shall be calculated in the order that either of the following events occurred with respect to such Reference Entities: (i) the Credit Event Resolution Request Date (provided that if a Credit Event Resolution Request Date occurs in respect of more than one such Reference Entity on the same day, the first Reference Entity in respect of which the DC Secretary announces that the relevant DC Credit Event Question was effective and the relevant Credit Derivatives Determinations Committee was in possession of the relevant Publicly Available Information, in each case in accordance with the "Credit Event Resolution Request Date" definition, shall be deemed to have satisfied this condition first) or (ii) the delivery of the Credit Event Notice (provided that if any of the relevant Credit Event Notices are delivered at the same time, in a sequential order as determined by the Calculation Agent).

(g) Combination Credit Securities

The following provisions shall apply in respect of Credit Securities that are Combination Credit Securities:

(i) If "Tranched Interest Credit Securities" is specified as applicable in the Final Terms, then the provisions (the "**Tranched Interest Provisions**") of these Credit Security Conditions relating to accrual, cessation of accrual, calculation and/or payment of interest or any suspension thereof or accrual and payment of interest following (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Notes) the Maturity Date, any Deemed Interest Reduction and any Interest Shortfall Amount and the related definitions shall apply in respect of the Tranched Interest Reference Portfolio, the Tranched Interest Attachment Point and Tranched Interest Exhaustion Point specified in the applicable Final Terms (which, for such purposes, shall be construed as the "Reference Portfolio", "Attachment Point" and "Exhaustion Point" respectively, and the definitions of "Reference Entity", "Reference Entity Notional Amount" and "Reference Entity Weighting" shall be construed accordingly). References in the Tranched Interest Provisions (including without limitation, Credit Security Condition 11 (*Amendments to Note Conditions and W&C Security Conditions*)) to aggregate outstanding nominal amount or to

outstanding nominal amount, outstanding Notional Amount or outstanding amount shall be construed respectively as references to the Outstanding Principal/Notional Amount in respect of the Tranched Interest Reference Portfolio or to a pro rata share thereof.

The remaining provisions of these Credit Security Conditions shall be construed accordingly.

For the avoidance of doubt:

(A) notwithstanding the Tranched Interest Provisions, if the Credit Securities are redeemed, settled or purchased and cancelled in full, no further interest shall accrue or be payable;

(B) interest may cease to accrue on any Credit Security (or any portion thereof) notwithstanding that there has been no reduction in any outstanding principal and/or notional amount of such Credit Security; and

(C) references to "Zero Recovery" shall be disregarded for the purposes of the Tranched Interest Provisions if "Zero Recovery" is not specified as applicable or is specified as not applicable in respect of the Tranched Interest Reference Portfolio.

(ii) If "Untranched Interest Credit Securities" is specified as applicable in the Final Terms, then the provisions (the "**Untranched Interest Provisions**") of these Credit Security Conditions relating to accrual, cessation of accrual, calculation and/or payment of interest or any suspension thereof or accrual and payment of interest following (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Notes) the Maturity Date and the related definitions shall apply in respect of the Untranched Interest Reference Portfolio specified in the applicable Final Terms (which, for such purposes, shall be construed as the "Reference Portfolio", and the definitions of "Reference Entity", "Reference Entity Notional Amount" and "Reference Entity Weighting" shall be construed accordingly). References in the Untranched Interest Provisions (including without limitation, Credit Security Condition 11 (*Amendments to Note Conditions and W&C Security Conditions*)) to aggregate outstanding nominal amount or to outstanding nominal amount, outstanding Notional Amount or outstanding amount shall be construed respectively as references to such amounts as reduced from time to time by the relevant portions on which interest ceases to accrue in accordance with Credit Security Condition 3(a) (*Cessation of Interest Accrual*).

The remaining provisions of these Credit Security Conditions shall be construed accordingly.

For the avoidance of doubt:

(A) notwithstanding the Untranched Interest Provisions, if the Credit Securities are redeemed, settled or purchased and cancelled in full, no further interest shall accrue or be payable;

(B) interest may cease to accrue on any Credit Security (or any portion thereof) notwithstanding that there has been no reduction in any outstanding principal and/or notional amount of such Credit Security; and

(C) references to "Zero Recovery" shall be disregarded for the purposes of the Untranched Interest Provisions if "Zero Recovery" is not specified as applicable or is specified as not applicable in respect of the Untranched Interest Reference Portfolio.

(iii) If "Tranched Principal Credit Securities" is specified as applicable in the Final Terms, then the provisions of these Credit Security Conditions relating to redemption or settlement of Credit Securities following the occurrence of an Event Determination Date, any Redemption Preliminary Amount, Redemption Residual Amount, extension of maturity of Credit Securities on delivery of an Extension

Notice, reduction of any outstanding principal and/or notional amount and suspension of obligations (other than any Tranched Interest Provisions or Untranched Interest Provisions) shall apply in respect of the Tranched Principal Reference Portfolio, the Tranched Principal Attachment Point and Tranched Principal Exhaustion Point specified in the applicable Final Terms (which, for such purposes, shall be construed as the "Reference Portfolio", "Attachment Point" and "Exhaustion Point" respectively, and the definitions of "Reference Entity", "Reference Entity Notional Amount" and "Reference Entity Weighting" shall be construed accordingly). The remaining provisions of these Credit Security Conditions shall be construed accordingly.

For the avoidance of doubt:

(A) references to "Zero Recovery" shall be disregarded for the purposes of such provisions if "Zero Recovery" is not specified as applicable or is specified as not applicable in respect of the Tranched Principal Reference Portfolio.

(iv) If "Untranched Principal Credit Securities" is specified as applicable in the Final Terms, then the provisions of these Credit Security Conditions relating to redemption or settlement of Credit Securities following the occurrence of an Event Determination Date, extension of maturity of Credit Securities on delivery of an Extension Notice and suspension of obligations (other than any Tranched Interest Provisions or Untranched Interest Provisions) shall apply in respect of the Untranched Principal Reference Portfolio specified in the applicable Final Terms (which, for such purposes, shall be construed as the "Reference Portfolio", and the definitions of "Reference Entity", "Reference Entity Notional Amount" and "Reference Entity Weighting" shall be construed accordingly). The remaining provisions of these Credit Security Conditions shall be construed accordingly.

For the avoidance of doubt:

(A) references to "Zero Recovery" shall be disregarded for the purposes of such provisions if "Zero Recovery" is not specified as applicable or is specified as not applicable in respect of the Untranched Principal Reference Portfolio.

2. Redemption

(a) Redemption or Expiration absent Event Determination Date

The Issuer will redeem each Credit Security (in the case of Notes or Certificates) on the related Credit Security Settlement Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to (in the case of Certificates) the Cash Settlement Amount or (in the case of Notes) the outstanding principal amount of such Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

(a) the Credit Securities have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Security Conditions 2(b), 2(c) or 2(d)); or

(b) an Event Determination Date has occurred, in which event the Issuer shall redeem the Credit Securities in accordance with Credit Security Condition 2(b).

Each Credit Warrant will become void on the related Credit Security Settlement Date (as such date may be extended in accordance with the definition thereof) unless:

(c) the Credit Warrants have been previously settled or purchased and cancelled in full (including pursuant to Credit Security Conditions 2(b), 2(c) or 2(d)); or

(d) an Event Determination Date has occurred, in which event the Credit Warrants shall be settled in accordance with Credit Security Condition 2(b).

In the case of Tranched Credit Securities, redemption shall be in accordance with Credit Security Condition 1(f) (*Tranched Credit Securities*) above.

(b) Redemption or Settlement following Event Determination Date

Upon the occurrence of an Event Determination Date in relation to any Reference Entity, then each Credit Note or Credit Certificate (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) will be subject to redemption and each Credit Warrant (or, in the case of Linear Basket Credit Warrants, the relevant portion thereof) will be deemed to have been automatically exercised on the Event Determination Date and will be subject to settlement:

(a) if the applicable Settlement Method is Auction Settlement, by payment of its *pro rata* share (such amount to be apportioned pro rata amongst the outstanding (and in the case of Partly Paid Notes, paid-up) nominal amount or outstanding (and, in the case of Partly Paid Certificates, paid-up) notional amount of each Credit Security corresponding to the (in the case of Credit Notes) Calculation Amount or (in the case of Credit Certificates or Credit Warrants) Notional Amount) of the Auction Settlement Amount on the Auction Settlement Date, unless a Fallback Settlement Event occurs, in which event the Issuer shall perform its respective payment and/or delivery obligations in accordance with the applicable Fallback Settlement Method. If an Event Determination Date occurs with respect to a new Credit Event following the occurrence of a Fallback Settlement Event with respect to a first Credit Event and no Fallback Settlement Event occurs with respect to such new Credit Event, the Issuer shall, if it so elects on or prior to a related Valuation Date or Delivery Date, redeem or settle, as applicable, the Credit Securities in accordance with this Credit Security Condition 2(b)(a) by Auction Settlement;

(b) if the applicable Settlement Method is Physical Settlement, in accordance with Credit Security Condition 4; and

(c) if the applicable Settlement Method is Cash Settlement, by payment of its *pro rata* share (such amount to be apportioned *pro rata* amongst the outstanding (and in the case of Partly Paid Notes, paid-up) nominal amount or outstanding (and, in the case of Partly Paid Certificates, paid-up) notional amount of each Credit Security corresponding to the (in the case of Credit Notes) Calculation Amount or (in the case of Credit Certificates or Credit Warrants) Notional Amount) of the Credit Event Cash Settlement Amount on the Cash Settlement Date.

Where the Credit Securities are Nth-to-Default Credit Securities, an Event Determination Date shall be deemed not to occur with respect to the Credit Securities until an Event Determination Date occurs with respect to the Nth Reference Entity. Where the Credit Securities are Nth-to-Default Credit Securities and an Event Determination Date occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine the order in which such Event Determination Dates occurred.

In the case of Tranched Credit Securities, redemption shall be in accordance with Credit Security Condition 1(f) (*Tranched Credit Securities*) above.

(c) Redemption following a Merger Event

If this Credit Security Condition 2(c) is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, and (in the case of Credit Notes or Credit Certificates) redeem or (in the case of Credit Warrants) cancel all but not some only of the Credit Securities on the Merger Event Redemption Date, and if the Credit Securities are so redeemed or, as the

case may be, cancelled, the Issuer shall pay an amount to each Holder in respect of each Credit Security, which amount shall be the fair market value of the Credit Security taking into account the Merger Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (including without limitation any Unwind Costs), all as determined by the Calculation Agent in a commercially reasonable manner.

(d) Additional Credit Linked Security Disruption Events

If the Calculation Agent determines that an Additional Credit Linked Security Disruption Event has occurred, the Issuer may redeem (or settle, as applicable) the Credit Securities by giving notice to Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable. If the Credit Securities are so redeemed (or settled, as applicable), the Issuer will pay an amount to each Holder in respect of each Credit Security equal to the fair market value of such Credit Security taking into account the Additional Credit Linked Security Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable.

(e) Suspension of Obligations

If there is a DC Credit Event Question in relation to any Reference Entity, then (unless the Issuer otherwise elects by notice to the Calculation Agent and the Holders) from the date of such DC Credit Event Question (and notwithstanding that the relevant Credit Derivatives Determinations Committee has yet to determine whether Publicly Available Information is available or that a Credit Event has occurred):

(i) any obligation of the Issuer to redeem or settle any Credit Security (including pursuant to Credit Security Condition 2(b)) or pay any amount of interest which would otherwise be due thereon (and the timing requirements of the Cash Settlement Date, Valuation Date, Relevant Valuation Date, NOPS Cut-off Date, Physical Settlement Period and any other provisions pertaining to settlement) shall, insofar as it relates to the relevant Reference Entity;

(ii) if the Final Terms specifies that "Calculation and Settlement Suspension" applies, any obligation of the Issuer to redeem or settle any Credit Security (including pursuant to Credit Security Condition 2(b)) (and the timing requirements of the Cash Settlement Date, Valuation Date, Relevant Valuation Date, NOPS Cut-off Date, Physical Settlement Period and any other provisions pertaining to settlement) insofar as it relates to the relevant Reference Entity, or pay any amount of interest which would otherwise be due thereon or any obligation of the Calculation Agent to calculate any amount of interest (in each case, regardless of whether any such interest relates to the relevant Reference Entity), shall,

be and remain suspended until the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Question Dismissal.

During such suspension period, the Issuer shall not be obliged to, nor entitled to, take any action in connection with the settlement of the Credit Securities, in each case insofar as they relate to the relevant Reference Entity, or in connection with the payment of any applicable interest on the Credit Securities, nor, if the Final Terms specifies that "Calculation and Settlement Suspension" applies, shall the Calculation Agent be obliged to take any action in connection with the calculation of any amount of interest (in each case, if the Final Terms specifies that "Calculation and Settlement Suspension" applies, regardless of whether any such interest relates to the relevant Reference Entity). Once the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Question Dismissal has occurred, such suspension shall terminate and any obligations so suspended shall resume on the Credit Security Business Day following such public announcement by ISDA, with the Issuer and, as the case may be, the Calculation Agent having the benefit of the full day notwithstanding when the suspension began. Any amount of interest so suspended shall, subject always to Credit Security Condition

3(a), become due on a date selected by the Calculation Agent falling not later than fifteen Business Days following such public announcement by ISDA.

For the avoidance of doubt, no interest shall accrue on any payment of interest or any other amounts which are deferred in accordance with this Credit Security Condition 2(e).

(f) Miscellaneous provisions relating to Redemption or Settlement

If the Credit Securities are partially redeemed or settled, the relevant Credit Securities or, if the Credit Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such partial redemption or settlement. Upon such partial redemption or settlement, the outstanding notional amount or outstanding principal amount of each Credit Security shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption or settlement of any Credit Security in accordance with this Credit Security Condition 2, together with payment of interest, if any, due thereon shall discharge all or the relevant portion of the obligations of the Issuer in relation thereto.

Any amount payable under Credit Security Condition 2(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

3. Interest (Credit Notes and Credit Certificates only)

(a) Cessation of Interest Accrual

Upon the occurrence of an Event Determination Date in respect of any Reference Entity, interest on such Credit Certificate or Note (or, in the case of Linear Basket Credit Securities or Untranched Credit Securities, the relevant portion thereof or, in the case of Tranched Credit Securities, the relevant portion thereof equal to the corresponding Writedown Amount) shall cease to accrue with effect from and including:

(a) either:

(i) the Interest Payment Date; or

(ii) if so specified in the Final Terms, the Interest Period End Date,

immediately preceding such Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date); or

(b) if so specified in the Final Terms, such Event Determination Date.

(b) Interest following Scheduled Maturity

Subject always to Credit Security Condition 3(a), if an Extension Notice has been given (other than pursuant to paragraph (d) of the definition of "Extension Notice"), each Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) which is outstanding following the Redemption Date or Maturity Date, as the case may be, shall continue to bear interest from (and including) the Redemption Date or Maturity Date, as the case may be, to (but excluding) the related Credit Security Settlement Date at a rate of interest equal to either:

(a) the rate that BNP Paribas would pay to an independent customer in respect of overnight deposits in the currency of the Credit Certificates; or

(b) such other rate as shall be specified for such purpose in the Final Terms.

For the avoidance of doubt, if an Extension Notice has been given pursuant to paragraph (d) of the definition thereof, no interest shall accrue from (and including) the Redemption Date or Maturity Date, as the case may be, to (but excluding) the related Credit Security Settlement Date.

(c) Interest Payment Dates

If the Credit Securities are redeemed pursuant to the W&C Security Conditions or the Note Conditions, as applicable, or these Credit Security Conditions, the Redemption Date, the Maturity Date, the Credit Security Settlement Date (if not the Redemption Date or Maturity Date, as the case may be), the Auction Settlement Date, the Cash Settlement Date or the last Delivery Date, as the case may be, shall be an Interest Payment Date in respect of each Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit Security (or, as applicable, the relevant portion thereof) on such Interest Payment Date.

4. Physical Settlement (Credit Notes and Credit Certificates only)

(a) Delivery and payment

If Physical Settlement applies to any Credit Certificate or Note, then, upon the occurrence of an Event Determination Date, the Issuer shall, on or prior to the related Physical Settlement Date and subject to Credit Security Conditions 4(b), 4(c) and 4(f), redeem such Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof), respectively, by:

(a) Delivering a *pro rata* share of the Deliverable Obligations specified in the related Notice of Physical Settlement or NOPS Amendment Notice, as applicable; and

(b) paying such Security's *pro rata* portion of the related Physical Settlement Adjustment Rounding Amount.

(b) Partial Cash Settlement Due to Impossibility or Illegality

If, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to Deliver or, due to an event beyond the control of the Issuer or any Holder, it is impossible or illegal for the Issuer or the relevant Holder to accept Delivery of any of the Deliverable Obligations (other than a Deliverable Obligation described in paragraph (d) of the definition of "Deliverable Obligation") specified in a Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, on the related Physical Settlement Date, then on such date the Issuer shall Deliver any of the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, for which it is possible and legal to take Delivery. If any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the Issuer shall pay the relevant Holders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant Holders on the Partial Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer does not Deliver any Deliverable Obligation specified in a Notice of Physical Settlement or NOPS Amendment Notice, as applicable, other than as a result of an event or circumstance contemplated in Credit Security Condition 4(b) above (including following the occurrence of a Hedge Disruption Event), such failure shall not constitute an Event of Default or breach of agreement for the purpose of the Securities and the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Extended Physical Settlement Date.

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then Partial Cash Settlement shall apply with respect to such Deliverable Obligations and the Issuer shall pay to the Holders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the Holders on the Partial Cash Settlement Date.

(d) Aggregation and Rounding

Where a Holder holds Credit Notes or Credit Certificates in an aggregate nominal amount outstanding (or, in the case of Partly Paid Notes, a paid-up aggregate nominal amount outstanding) or aggregate notional amount outstanding (or, in the case of Partly Paid Certificates, a paid-up aggregate notional amount outstanding) greater than the Specified Denomination or Notional Amount respectively, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit Security shall be aggregated for the purposes of this Credit Security Condition 4. If the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit Securities to be redeemed pursuant to this Credit Security Condition 4(d) on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the Outstanding Principal Balance of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, to zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by the Issuer or such other agent as may be appointed by the Issuer for such purpose and, if they are so sold, the Issuer shall make payment in respect of each Credit Security in an amount equal to its *pro rata* share of the related net sale proceeds as soon as reasonably practicable following receipt thereof.

(e) Delivery and Fees

The Delivery of any of the Deliverable Obligations pursuant to the provisions of this Credit Security Condition 4 shall be made in such manner as the Issuer shall determine, in a commercially reasonable manner, to be appropriate for such Delivery. Subject as set out in the definition of "Deliver":

(a) any recordation, processing or similar fee reasonably incurred by the Issuer and/or any of its Affiliates and payable to the agent under a Loan in connection with an assignment or novation (where Deliverable Obligations include Assignable Loans or Consent Required Loans) or participation (where Deliverable Obligations include Direct Loan Participations) shall be payable by the relevant Holders, and if any Stamp Tax or transaction tax is payable in connection with the Delivery of any Deliverable Obligations, payment thereof shall be made by the relevant Holders; and

(b) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Holders or the Issuer, as appropriate, determined by the Calculation Agent in accordance with then current market conventions.

Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Holders have been paid to the satisfaction of the Issuer.

(f) Expenses

A Holder will not be entitled to any of the amounts or assets specified as being due to it in this Credit Security Condition 4(f) upon the occurrence of an Event Determination Date and delivery of the Notice of Physical Settlement until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(g) Credit Warrants

Physical Settlement shall not apply in relation to any Credit Warrants.

5. Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics

(a) Obligation Characteristics

If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the related Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

(b) Deliverable Obligation Category and Characteristics

If:

(i) any of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the related Final Terms or is applicable in respect of the applicable Transaction Type, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds;

(ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans;

(iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans; and

(iv) more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified in the applicable Final Terms as Deliverable Obligation Characteristics or is applicable in respect of the applicable Transaction Type, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(c) Relevant Guarantee

If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:

(i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.

(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law".

(iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in

the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated or Matured" and "Not Bearer".

(iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(v) For the avoidance of doubt the provisions of this Credit Security Condition 5 apply in respect of the definitions of "Obligation" and "Deliverable Obligation" as the context admits.

(d) Maximum Maturity

For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.

(e) Financial Reference Entity Terms and Governmental Intervention

If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in respect of a Reference Entity, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.

(f) Prior Deliverable Obligation or Package Observable Bond

For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in Credit Security Condition 8(b) (Mod R) and Credit Security Condition 8(c) (Mod Mod R) to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.

(g) Subordinated European Insurance Terms

If "Subordinated European Insurance Terms" is specified as applicable in respect of the Reference Entity, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

(h) Accrued Interest

With respect to any Credit Securities for which:

(i) "Physical Settlement" is specified to be the Settlement Method in the related Final Terms (or for which Physical Settlement is applicable as the Fallback Settlement Method), the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the related Final Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest;

(ii) "Cash Settlement" is specified to be the Settlement Method in the related Final Terms (or if Cash Settlement is applicable as the Fallback Settlement Method), and:

(A) "Include Accrued Interest" is specified in the related Final Terms, the Outstanding Principal Balance of the Reference Obligation or Valuation Obligation, as applicable, shall include accrued but unpaid interest;

(B) "Exclude Accrued Interest" is specified in the related Final Terms, the Outstanding Principal Balance of the Reference Obligation or Valuation Obligation, as applicable, shall not include accrued but unpaid interest; or

(C) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the related Final Terms, the Calculation Agent shall determine based on the then current market practice in the market of the Reference Obligation or Valuation Obligation, as applicable, whether the Outstanding Principal Balance of the Reference Obligation or Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or

(iii) Credit Security Condition 4(b) (Partial Cash Settlement Due to Impossibility or Illegality) or Credit Security Condition 4(c) (Non-Delivery of Deliverable Obligations) is applicable, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest.

(i) Asset Package Delivery

"**Asset Package Delivery**" will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

If the "Sovereign No Asset Package Delivery Supplement" is applicable in respect of a Reference Entity, then, notwithstanding the above, it shall be deemed that no Package Observable Bond exists with respect to such Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto.

6. Successors

(a) Provisions for determining a Successor

(i) The Calculation Agent may determine, following any succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) and with effect from the Succession Date, any Successor or Successors under the definition of "Successor"; provided that the Calculation Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under the definition of "Successor" (or the provisions relating to the determination of a Successor) on the basis of Eligible Information.

In calculating the percentages used to determine whether an entity qualifies as a Successor under the definition of "Successor", if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

(ii) An entity may only be a Successor if:

(I) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014;

(II) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and

(III) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

(iii) In the case of an exchange offer, the determination required pursuant to the definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

(iv) If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

(b) Single Reference Entity

Where the Credit Securities are Single Reference Entity Credit Securities and a Succession Date has occurred and more than one Successor has been identified, each such Credit Security will be deemed for all purposes to have been divided, with effect from the Succession Date, into the same number of new Credit Securities as there are Successors with the following terms:

(i) each Successor will be a Reference Entity for the purposes of one of the deemed new Credit Securities;

(ii) in respect of each deemed new Credit Security, the Reference Entity Notional Amount will be the Reference Entity Notional Amount applicable to the original Reference Entity divided by the number of Successors; and

(iii) all other terms and conditions of the original Credit Securities will be replicated in each deemed new Credit Security except that the Calculation Agent shall make such modifications as it determines are required in order to preserve the economic effects of the original Credit Securities in the deemed new Credit Securities (considered in aggregate).

(c) Nth-to-Default

Where the Credit Securities are Nth-to-Default Credit Securities:

(i) where a Succession Date has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) and more than one Successor has been identified, each such Credit Security will be deemed for all purposes to have been divided, with effect from the Succession Date, into a number of new Credit Securities equal to the number of Successors. Each such new Credit Security shall include a Successor and each and every one of the unaffected Reference Entities and the provisions of Credit Security Condition 6(b)(i) to (iii) (inclusive) shall apply thereto;

(ii) if "Substitution" is specified as not being applicable in the Final Terms, where any Reference Entity (the "**Surviving Reference Entity**") (other than a Reference Entity that is subject to the Succession Date) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Date, such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity; and

(iii) if "Substitution" is specified as being applicable in the Final Terms, where the Surviving Reference Entity (other than a Reference Entity that is subject to the Succession Date) would be a Successor to a Legacy Reference Entity pursuant to a Succession Date:

(A) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and

(B) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.

(d) Linear Basket

Where the Credit Securities are Linear Basket Credit Securities, and one or more Successors have been identified in respect of a Reference Entity that has been the subject of a related Succession Date (the "**Affected Entity**"), then, with effect from the Succession Date:

(i) the Affected Entity will no longer be a Reference Entity (unless it is a Successor as described in (ii) below);

(ii) each Successor will be deemed a Reference Entity (in addition to each Reference Entity which is not an Affected Entity);

(iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity divided by the number of Successors;

(iv) the Calculation Agent may make any modifications to the terms of the Credit Securities which it determines may be required to preserve the economic effects of the Credit Securities prior to the Succession Date (considered in the aggregate); and

(v) for the avoidance of doubt, a Reference Entity may, as a result of a Succession Date, be represented in the basket with respect to multiple Reference Entity Notional Amounts for the Successor(s) of such Reference Entity.

7. Provisions relating to LPN Reference Entities and CoCo Supplement

(a) LPN Reference Entities

The following provisions shall apply if the relevant Final Terms provide that "LPN Reference Entity" is applicable:

(i) Multiple Holder Obligation will not be applicable with respect to any Reference Obligation and any Underlying Loan;

(ii) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Security Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;

(iii) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Credit Security Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;

(iv) for the avoidance of doubt, with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation; and

(v) the "Not Subordinated" Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

(b) Provisions relating to CoCo Supplement

The following provisions shall apply in respect of a Reference Entity if the "CoCo Supplement" is applicable:

(i) If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention falling within paragraph (a) of the definition thereof.

(ii) A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes.

(iii) The following terms shall have the following meanings:

"**Coco Provision**" means, with respect to an Obligation, a provision which requires (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, in each case, if the Capital Ratio is at or below the Trigger Percentage.

"**Trigger Percentage**" means the trigger percentage specified in respect of the Reference Entity (or if no such trigger percentage is specified, 5.25 per cent.).

"**Capital Ratio**" means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

8. Restructuring Credit Event

(a) Multiple Credit Event Notices (Credit Notes and Credit Certificates only)

Upon the occurrence of an M(M)R Restructuring with respect to a Reference Entity:

(i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such notice setting forth the amount of the relevant Reference Entity Notional Amount to which such notice applies (the "**Exercise Amount**") provided that if the Credit Event Notice does not specify an Exercise Amount, the then outstanding Reference Entity Notional Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;

(ii) the provisions of these Credit Security Conditions shall be deemed to apply to an aggregate outstanding principal amount or aggregate outstanding notional amount equal to the Exercise Amount only and all the provisions shall be construed accordingly; and

(iii) the Exercise Amount in connection with a Credit Event Notice describing an M(M)R Restructuring must be an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is denominated or any integral multiple thereof or the entire relevant Reference Entity Notional Amount.

In the case of an Nth-to-Default Credit Security, once an Event Determination Date has occurred in respect of the Nth Reference Entity where the Credit Event is an M(M)R Restructuring, no further Credit Event Notices may be delivered in respect of any other Reference Entity (save to the extent that the Credit Securities are deemed to have been divided into new Credit Securities pursuant to Credit Security Condition 6).

If any Credit Security is subject to partial settlement in accordance with this Credit Security Condition 8, the relevant Credit Security or, if the Credit Securities are represented by a Global Security, such Global Security shall be endorsed to reflect such partial settlement.

This Credit Security Condition 8(a) shall not apply in relation to any Credit Warrants.

(b) Mod R

If (i) "Physical Settlement" or "Cash Settlement" is specified to be the Settlement Method in the related Final Terms (or is applicable as the Fallback Settlement Method), (ii) "Mod R" is specified as applicable in respect of the Reference Entity and (iii) Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation or, as applicable, Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation or, as applicable, Valuation Obligation may only be specified (or deemed specified) in the Notice of Physical Settlement or in any NOPS Amendment Notice or selected by the Issuer to form part of the related Valuation Obligations Portfolio, as applicable, if such Deliverable Obligation or, as applicable, Valuation Obligation:

(A) is a Fully Transferable Obligation; and

(B) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date,

in each case, as of both the NOPS Effective Date and the Delivery Date or, as applicable, as of the Relevant Valuation Date.

(c) Mod Mod R

If (i) "Physical Settlement" " or "Cash Settlement" is specified to be the Settlement Method in the related Final Terms (or is applicable as the Fallback Settlement Method), (ii) "Mod Mod R" is specified as applicable in respect of the Reference Entity and (iii) Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation or, as applicable, Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation or, as applicable, Valuation Obligation may only be specified (or deemed specified) in the Notice of Physical Settlement or in any NOPS Amendment Notice or selected by the Issuer to form part of the related Valuation Obligations Portfolio, as applicable, if it (A) is a Conditionally Transferable Obligation and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of both the NOPS Effective Date and the Delivery Date or, as applicable, as of the Relevant Valuation Date. Notwithstanding the foregoing, for purposes of this paragraph, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

If the relevant Deliverable Obligation specified in the Notice of Physical Settlement (or in any NOPS Amendment Notice, as applicable) or, as applicable, the relevant Valuation Obligation selected, is a Conditionally

Transferable Obligation with respect to which consent is required to novate, assign or transfer and the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date or, as applicable, the Relevant Valuation Date (in which case it shall be deemed to have been refused), the Issuer shall, as soon as reasonably practicable, notify the relevant Holders of such refusal (or deemed refusal) and:

(i) each such Holder may designate a third party (which may or may not be an Affiliate of such Holder) to take Delivery of the Deliverable Obligation on its behalf; and

(ii) if a Holder does not designate a third party that takes Delivery on or prior to the date which is three Credit Security Business Days after the Physical Settlement Date, then the Issuer will redeem the Credit Securities for which Delivery has not occurred, by payment of the relevant Partial Cash Settlement Amount to such Holder. For the avoidance of doubt Credit Security Condition 4(b) will not apply to this paragraph.

(d) General Terms relating to Mod R and Mod Mod R

For the purposes of making a determination pursuant to "Mod R" and "Mod Mod R", final maturity date shall, subject to Credit Security Condition 8(c) (Mod Mod R), be determined on the basis of the terms of the Deliverable Obligation or, as applicable, Valuation Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation or, as applicable, Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

(e) Multiple Holder Obligations

Notwithstanding anything to the contrary in the definition of "Restructuring" and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub paragraph (a)(i) to (a)(v) (inclusive) thereof shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, provided that any obligation that is a Bond shall be deemed to satisfy the requirements of sub-paragraph (b) of the definition of "Multiple Holder Obligation".

9. Miscellaneous Provisions relating to Credit Securities

(a) Determinations of the Calculation Agent

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Credit Security Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the Holders. Unless otherwise expressly stated, the Calculation Agent is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor (if applicable) shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

(b) Reversal of DC Resolutions

If, where a calculation or determination with respect to the Credit Securities has been made by the Calculation Agent in reliance upon a DC Resolution or otherwise resulted from a DC Resolution, ISDA publicly announces that such DC Resolution has been reversed by a subsequent DC Resolution, such reversal will be taken into account for the purposes of any subsequent calculations, provided that the ISDA public announcement occurs prior to the DC Resolution Reversal Cut-off Date (or where redeemed or settled in part, save to the extent of any such redemption or settlement). The Calculation Agent, acting in a commercially reasonable manner, will make any adjustment to any future payments as are required to take account of such reversal, including any payment of additional interest or any reduction in any interest or any other amount payable under the Credit Securities. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

(c) Change in Standard Terms and Market Conventions

The Calculation Agent, acting reasonably, may (but shall not be obligated to) modify these Credit Security Conditions from time to time with effect from a date designated by the Calculation Agent to the extent reasonably necessary to ensure consistency with prevailing market standards or market trading conventions, which are, pursuant to the agreement of leading dealers in the credit derivatives market or any relevant ISDA committee, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system, applicable to any Notional Credit Derivative Transaction or Hedge Transaction entered into prior to such date or terms thereof. The Calculation Agent shall notify the Issuer and the Holders as soon as reasonably practicable upon making any such determination. For the avoidance of doubt, the Calculation Agent may not, without the consent of the Issuer and the Trustee, amend, pursuant to this Credit Security Condition 9(c) any of the terms and conditions of the Credit Securities other than the Credit Security Conditions.

In particular, the Calculation Agent may make such modifications as may be necessary to ensure consistency with any successor provisions ("**Successor Provisions**") which are published by ISDA and which supersede the 2003 ISDA Credit Derivatives Definitions, the 2003 ISDA Credit Derivatives Definitions as supplemented by the July 2009 Supplement and/or the 2014 ISDA Credit Derivatives Definitions, as the case may be, for the purposes of credit derivatives transactions generally (including with respect to transactions which are entered into prior to the relevant date of publication and which are outstanding as of that date) and/or may apply and rely on determinations of the Credit Derivatives Determinations Committee made in respect of a relevant Reference Entity under any such Successor Provisions notwithstanding any discrepancy between the terms of such Successor Provisions and these Credit Security Conditions.

This Credit Security Condition 9(c) shall apply unless the related Final Terms specifies that "Change in Standard Terms and Market Conventions" is not applicable.

(d) Delivery of Notices

As soon as reasonably practicable after receiving a Credit Event Notice or Notice of Publicly Available Information from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable. Resolutions of the Credit Derivatives Determinations Committee are, as of the date hereof, available on ISDA's website (www.isda.org) (or any successor website thereto).

(e) Effectiveness of Notices

Any notice referred to in Credit Security Condition 9(d) above which is delivered on or prior to 5.00 p.m. (London time) on a London Business Day is effective on such date and if delivered after such time or on a day that is not a London Business Day, is deemed effective on the next following London Business Day.

A notice given by telephone by the Issuer or the Calculation Agent will be deemed to have been delivered at the time the telephone conversation takes place.

(f) Excess Amounts

If, on a Business Day, the Calculation Agent reasonably determines that an Excess Amount has been paid to Holders on or prior to such day, then following notification of the determination of an Excess Amount to the Issuer and Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, the Issuer may deduct any such Excess Amount from future payments in relation to the Credit Securities (whether interest or principal) or may reduce the amount of any assets deliverable under the terms of the Credit Securities to the extent that it determines, acting reasonably, to be necessary to compensate for such Excess Amount.

(g) Provisions Relating to Timing

Subject to Credit Security Condition 9(e) and Credit Security Condition 9(h), in order to determine the day on which an event occurs for purposes of the Credit Security Conditions, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

(h) Payment Timing

Notwithstanding the "Credit Event Notice" definition and Credit Security Condition 9(g) (Provisions Relating to Timing), if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

(i) Business Day Convention

If the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such last day shall be subject to adjustment in accordance with the applicable Business Day Convention; provided that if the last day of any period is the Credit Event Backstop Date or the Successor Backstop Date, such last day shall not be subject to any adjustment in accordance with any Business Day Convention.

(j) No Frustration

In the absence of other reasons, the Credit Securities will not be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

(i) the Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or

(ii) Obligations, Deliverable Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

10. Definitions

In these Credit Security Conditions:

"**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

"**Additional Credit Linked Security Disruption Event**" means any of Change in Law, Hedging Disruption, and/or Increased Cost of Hedging, in each case if specified as applying in the applicable Final Terms.

"**Additional LPN**" means any LPN issued by an LPN Issuer for the sole purpose of providing funds for the LPN Issuer to provide financing to the Reference Entity via an:

(a) Underlying Loan; or

(b) Underlying Finance Instrument,

provided that:

(i) either:

(i) in the event that there is an Underlying Loan with respect to such LPN, the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or

(ii) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics;

(ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Specified Currencies – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and

(iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available at http://www.markit.com/marketing/services.php.

"**Additional Provisions**" means any additional provisions from time to time published by ISDA for use in the over the counter credit derivatives market and specified as applicable in relation to a Reference Entity which may include:

(a) the Additional Provisions for Physically Settled Default Swaps - Monoline Insurer as Reference Entity, as published by ISDA on 21 January 2005; or

(b) any other provisions specified in relation to such Reference Entity.

"**Affected Entity**" has the meaning given to such term in Credit Security Condition 6(d) above.

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Aggregate Incurred Recovery Amount**" means, in respect of Tranched Credit Securities and any date, a pro rata share per Tranched Credit Security of an amount (subject to a minimum of zero) equal to (a) the aggregate of any Incurred Recovery Amounts (calculated with respect to all Reference Entities up to and including such date) to the extent by which the Outstanding Principal/Notional Amount and (in the case of Credit Notes) the aggregate outstanding principal amount or (in the case of Credit Certificates) the aggregate outstanding Notional Amount

has been reduced by such amount, minus (b) the sum of all Aggregate Unwind Costs (for the avoidance of doubt, without double counting).

"**Aggregate Loss Amount**" means, in respect of Tranched Credit Securities and any date, the aggregate of all Loss Amounts calculated with respect to all Reference Entities up to and including such date.

"**Aggregate Recovery Amount**" means, in respect of Tranched Credit Securities and any date, the aggregate of all Recovery Amounts calculated with respect to all Reference Entities up to and including such date.

"**Aggregate Unwind Costs**" has the meaning given to such term in the definition of "Unwind Costs".

"**Asset**" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realized or capable of being realized in circumstances where the right and/or other asset no longer exists).

"**Asset Market Value**" means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

"**Asset Package**" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

"**Asset Package Credit Event**" means:

(a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in respect of the Reference Entity:

  (i) a Governmental Intervention; or

  (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in respect of the Reference Entity and such Restructuring does not constitute a Governmental Intervention; and

(b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in respect of the Reference Entity, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

"**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent, and if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans.

"**Attachment Point**" means, in respect of Tranched Credit Securities, the value specified as such in the applicable Final Terms.

"**Auction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms or the Parallel Auction Settlement Terms identified by the Issuer in the Auction Settlement Amount Notice.

If "Zero Recovery" is specified as applicable in the Final Terms, the Auction Final Price shall be zero and, for the avoidance of doubt, no Auction Settlement Amount Notice shall be required.

"**Auction Final Price Determination Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Settlement Amount**" means, in relation to any Reference Entity, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

(a) in respect of Credit Notes and Credit Certificates:

Auction Settlement Amount = Max [0, Min (A, [(A × B) – C])]

(b) in respect of Credit Warrants:

Auction Settlement Amount = Max (0, Min [A, ([A × (100% - B)] – C)])

Where:

"**A**" means (in the case of Credit Notes) the Calculation Amount or (in the case of Credit Certificates and Credit Warrants) the Notional Amount;

"**B**" means the relevant Auction Final Price; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero).

"**Auction Settlement Amount Notice**" means a notice given by the Issuer to the Calculation Agent and the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, on or prior to the date which is 65 Business Days following the Final List Publication Date (or, if later, the Movement Option Cut-off Date) specifying:

(a) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Issuer has elected to apply to the Credit Securities (provided that the Issuer may only elect to apply any Parallel Auction Settlement Terms (for purposes of which (i) in the case of Notes or Certificates, all Deliverable Obligations (as defined in respect of the Final List) on the Final List will be Permissible Deliverable Obligations, or (ii) in the case of Credit Warrants, the Permissible Deliverable Obligations are more limited than the Permissible Deliverable Obligations under the Transaction Auction Settlement Terms) in the circumstances set out in sub-paragraph (b) or (c)(ii) of the definition of "No Auction Announcement Date"); and

(b) the Auction Settlement Amount.

"**Auction Settlement Date**" means:

(a) the date that is three Business Days following delivery by the Issuer of the Auction Settlement Amount Notice to the Calculation Agent and the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable (or, if "Zero Recovery" is specified as applicable in the Final Terms, the date that is the relevant Event Determination Date); or

(b) if "Settlement Deferral" is specified as applicable, if later, (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date. For the avoidance of doubt, this shall be without prejudice to Credit Security Condition 3(a) (Cessation of Interest Accrual).

"**Bankruptcy**" means a Reference Entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;

(d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) (inclusive) above.

"**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation.

"**Bond or Loan**" means any obligation that is either a Bond or a Loan.

"**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of

borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

"**Capped Reference Entity**" means, unless otherwise specified in the Final Terms, a Reference Entity having a specified Transaction Type in respect of which "60 Business Day Cap on Settlement" is expressed as applying in the Physical Settlement Matrix.

"**Cash Settlement Date**" means:

(a) the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not specified, three Business Days) immediately following the determination of the Weighted Average Final Price (or, if "Zero Recovery" is specified as applicable in the Final Terms, the date that is the relevant Event Determination Date); or

(b) if "Settlement Deferral" is specified as applicable, if later, (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date. For the avoidance of doubt, this shall be without prejudice to Credit Security Condition 3(a) (Cessation of Interest Accrual).

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency, regulatory or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines that:

(a) it is unable to perform its obligations in respect of the Credit Securities or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Credit Securities; or

(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Credit Securities in issue or in holding, acquiring or disposing of any relevant hedge positions of the Credit Securities.

"**CoCo Supplement**" means the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions, as published by ISDA.

"**Combination Credit Certificates**" means Credit Certificates where the Issuer purchases credit protection from the Holders in respect of one or more tranched and/or untranched basket(s) of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Combination Credit Notes**" means Credit Notes where the Issuer purchases credit protection from the Holders in respect of one or more tranched and/or untranched basket(s) of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Combination Credit Securities**" means Combination Credit Certificates and/or Combination Credit Notes, as the case may be.

"**Conditionally Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of both the NOPS Effective Date and the Delivery Date or, as applicable, as of the Relevant Valuation Date, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other

than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

"**Conforming Reference Obligation**" means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation".

"**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans.

"**Credit Derivatives Auction Settlement Terms**" means, in relation to any Reference Entity, the Credit Derivatives Auction Settlement Terms published by ISDA, with respect to the relevant Reference Entity, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as may be amended from time to time.

"**Credit Certificates**" means Certificates linked to the credit of a specified entity or entities.

"**Credit Derivatives Definitions**" means the 2014 ISDA Credit Derivatives Definitions, as published by ISDA, and, in addition, if Additional Provisions are specified to be applicable with respect to the Credit Securities in the Final Terms, as supplemented by the Additional Provisions.

"**Credit Derivatives Determinations Committee**" means each committee established pursuant to the Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over-the-counter market, as more fully described in the Rules.

"**Credit Event**" means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, Governmental Intervention or Additional Credit Event as specified with respect to a Reference Entity.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

(a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**Credit Event Backstop Date**" means, in respect of:

(a) Credit Notes or Credit Certificates, the date that is 60 calendar days prior to the Trade Date or, if so specified in the Final Terms, the Issue Date or such other date specified in the Final Terms; or

(b) Credit Warrants, (i) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition thereof), the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or (ii) otherwise, the date that is 60 calendar days prior to the earlier of (A) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and (B) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Event Notice**" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email and/or by telephone)) to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event (other than any Additional Credit Event) that occurred after the Scheduled Termination Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full Reference Entity Notional Amount.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, provided that where an Event Determination Date has occurred pursuant to sub-paragraph (b) of the definition thereof, a reference to the relevant DC Credit Event Announcement shall suffice. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"**Credit Event Cash Settlement Amount**" means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

(a) in respect of Credit Notes and Credit Certificates:

Credit Event Cash Settlement Amount = Max [0, Min (A, [(A × B) – C])]

(b) in respect of Credit Warrants:

Credit Event Cash Settlement Amount = Max (0, Min [A, ([A × (100% - B)] – C)])

Where:

"**A**" means (in the case of Credit Notes) the Calculation Amount or (in the case of Credit Certificates and Credit Warrants) the Notional Amount;

"**B**" means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero),

provided that in no event shall the Credit Event Cash Settlement Amount be less than zero.

"**Credit Event Resolution Request Date**" means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

"**Credit Notes**" means Notes linked to the credit of a specified entity or entities.

"**Credit Securities**" means Credit Notes, Credit Certificates and/or Credit Warrants.

"**Credit Security Business Day**" means, in respect of any Reference Entity, (a)(i) a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose with respect to such Reference Entity, and/or (ii) a TARGET Settlement Day (if "TARGET" or "TARGET Settlement Day" is specified with respect to such Reference Entity), or (b) if a place or places or such terms are not so specified, (i) if the related Reference Entity Notional Amount is denominated in the euro, a TARGET Settlement Day, or (ii) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the currency of denomination of the related Reference Entity Notional Amount.

Business Days referenced in the Physical Settlement Matrix shall be deemed to be Credit Security Business Days.

"**Credit Security Dealer**" means a dealer in obligations of the type of Obligation(s) (as the case may be) for which quotations are to be obtained (as selected by the Calculation Agent) and may include the Calculation Agent or its Affiliate and a Holder or its Affiliate or as may otherwise be specified in the Final Terms.

"**Credit Security Settlement Date**" means either:

(a) (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date; or

(b) where an Extension Notice in relation to a Reference Entity is delivered by the Calculation Agent to the Issuer at or prior to 11:00 a.m. (London time) on the date falling two London Business Days prior to (in the case of Credit Notes) the Maturity Date, (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Warrants) the Expiration Date, the date falling two Business Days after the latest to occur of the expiry of the Notice Delivery Period, the expiry of the Post Dismissal Additional Period or the latest date on which it would be possible for the Calculation Agent or the Issuer to deliver a Credit Event Notice under paragraph (b)(i)(B) or (b)(ii) of the definition of "Event Determination Date".

"**Credit Warrants**" means Warrants linked to the credit of a specified entity or entities.

"**Currency Amount**" means with respect to:

(a) a Deliverable Obligation specified in a Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, or a selected Valuation Obligation that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and

(b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice

with respect to that portion of the relevant Reference Entity Notional Amount into the currency of denomination of the relevant Replacement Deliverable Obligation.

"**Currency Rate**" means with respect to:

(a) a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, or a selected Valuation Obligation, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either:

(i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time; or

(ii) if such rate is not available at such time, as the Calculation Agent shall determine in a commercially reasonable manner; and

(b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate.

"**Currency Rate Source**" means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"**DC Announcement Coverage Cut-off Date**" means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is (in the case of Credit Notes or Credit Certificates) 21 calendar days or (in the case of Credit Warrants) fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

"**DC Credit Event Announcement**" means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Scheduled Termination Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

"**DC Credit Event Meeting Announcement**" means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

"**DC Credit Event Question**" means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

"**DC Credit Event Question Dismissal**" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

"**DC No Credit Event Announcement**" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

"**DC Resolution**" has the meaning given to that term in the Rules.

"**DC Resolution Reversal Cut-off Date**" means the earliest to occur of the Auction Final Price Determination Date, a Valuation Date, a Physical Settlement Date, a Delivery Date, the Credit Security Settlement Date or other

redemption or settlement date of the Credit Securities or the date on which instructions are given by or on behalf of the Issuer for any such redemption or settlement or any date, as determined by the Calculation Agent acting in a commercially reasonable manner, of termination, settlement, replacement or re-establishment in whole or in part of any Hedge Transaction (or entry into a binding commitment in respect of any of the foregoing) by or on behalf of the Issuer and/or any of its Affiliates (following the occurrence of an Event Determination Date or in reliance on a prior DC Resolution), as applicable.

"**DC Secretary**" has the meaning given to that term in the Rules.

"**Deemed Interest Reduction**" has the meaning given to such term in Credit Security Condition 1(f) (*Tranched Credit Securities*).

"**Default Requirement**" means the amount as may be specified as such in the Final Terms or, if a Transaction Type is specified, the amount specified as such in the Physical Settlement Matrix or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, U.S.$ 10,000,000 or its equivalent in the relevant Obligation Currency), in either case, as of the occurrence of the relevant Credit Event.

"**Deliver**" means:

(a) to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, to the Issuer or the Holders, as the case may be, free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in the definition of "Credit Event") or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) provided that (i) if a Deliverable Obligation is a Direct Loan Participation, "Deliver" means to create (or procure the creation of) a participation in favour of the Issuer or the Holders, as the case may be, and (ii) if a Deliverable Obligation is a Guarantee, "Deliver" means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, (A) "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap and (B) those claims shall be deemed to be Deliverable Obligations). "**Delivery**" and "**Delivered**" will be construed accordingly.

In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time, provided further that the Issuer and each Holder agrees to comply with the provisions of any documentation (which shall include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. The Issuer agrees, and each Holder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Holder shall be permitted to request that any party take nor shall the Issuer or any Holder be required to take, any action or make any payment in connection with such Delivery, as applicable, unless otherwise contemplated by such documentation.

(b) If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) paragraph (a) of the definition of "Deliver" and the relevant provisions on delivery shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer or Calculation Agent (on its behalf) has notified the Holders of the detailed description of the Asset Package that it intends to Deliver in accordance with the definition of "Notice of Physical Settlement", (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value.

"**Deliverable Obligation**" means:

(a) any obligation of the relevant Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the Method for Determining Deliverable Obligations;

(b) the Reference Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and

(d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity) or any Package Observable Bond (if the Reference Entity is a Sovereign),

in each case, (i) unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d), immediately prior to the relevant Asset Package Credit Event).

For purposes of the "**Method for Determining Deliverable Obligations**", the term "Deliverable Obligation" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in respect of the Reference Entity, and, subject to Credit Security Condition 5 (Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics), having each of the Deliverable Obligation Characteristics, if any, specified in respect of the Reference Entity, in each case, as of both the NOPS Effective Date and the Delivery Date (unless otherwise specified).

"**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan as specified in relation to a Reference Entity. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligation Only.

"**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

"**Deliverable Obligation Provisions**" in relation to any Reference Entity, has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

"**Deliverable Obligation Terms**" in relation to any Reference Entity, has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Delivery Date**" means, with respect to a Deliverable Obligation or an Asset Package, the date on which such Deliverable Obligation or Asset Package is Delivered (or deemed Delivered under paragraph (b)(iii) of the definition of "Deliver").

"**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Holder that provides each Holder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Holder and either:

(a) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or member of the relevant lending syndicate), or

(b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

"**Domestic Currency**" means the currency specified as such in relation to a Reference Entity and any successor currency thereto. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of:

(a) the relevant Reference Entity, if the Reference Entity is a Sovereign; or

(b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign.

"**Domestic Law**" means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organized, if such Reference Entity is not a Sovereign.

"**Downstream Affiliate**" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

"**Due and Payable Amount**" means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (A) the NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date) or (B) the Relevant Valuation Date, as applicable.

"**Eligible Information**" means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

"**Eligible Transferee**" means each of the following:

(a) any:

(i) bank or other financial institution;

(ii) insurance or reinsurance company;

(iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in sub-paragraph (c)(i) below); and

(iv) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least USD 500,000,000;

(b) an Affiliate of an entity specified in (a) above;

(c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

(i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralized debt obligations, commercial paper conduit or other special purpose vehicle) that (I) has total assets of at least USD 100,000,000 or (II) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least USD 100,000,000:

(ii) that has total assets of at least USD 500,000,000; or

(iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in paragraphs (a), (b), (c)(ii) or (d) hereof; and

(d) any:

(i) Sovereign; or

(ii) entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to U.S.$ or USD include equivalent amounts in other currencies, as determined by the Calculation Agent.

"**Event Determination Date**" means, in respect of any Credit Event:

(a) subject to sub-paragraph (b) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(b) save in respect of Credit Warrants and an M(M)R Restructuring Credit Event and notwithstanding sub-paragraph (a) above, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), either:

(i) the Credit Event Resolution Request Date, if either:

(A) (I) the Credit Event is not an M(M)R Restructuring; and

(II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or

(B) (I) the Credit Event is an M(M)R Restructuring; and

(II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer on or prior to the Exercise Cut-off Date; or

(ii) if so elected by the Calculation Agent, the first date on which a Credit Event Notice is delivered by the Calculation Agent to the Issuer during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is (in the case of Credit Notes or Credit Certificates) 15 Business Days or (in the case of Credit Warrants) fourteen calendar days thereafter,

provided that:

(i) no Physical Settlement Date or Cash Settlement Date (as applicable) has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs;

(ii) if any Valuation Date or Delivery Date, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Reference Entity Notional Amount, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and

(iii) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer:

(A) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date;

(B) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the then outstanding Reference Entity Notional Amount; or

(C) unless the Notional Credit Derivative Transaction is an Auction Covered Transaction and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Notional Credit Derivative Transaction.

No Event Determination Date will occur with respect to an event, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, a DC No Credit Event Announcement occurs with respect to the event that, but for such DC No Credit Event Announcement, would have constituted a Credit Event, prior to the DC Resolution Reversal Cut-off Date.

In respect of Credit Warrants and an M(M)R Restructuring Credit Event, the Calculation Agent will deliver a Credit Event Notice as soon as reasonably practicable after a DC Credit Event Announcement only if it determines that an Auction has been held or will be held in respect of Deliverable Obligations which are eligible as Valuation Obligations under the terms of the Credit Warrants. An Event Determination Date will occur in such case on the date on which such Credit Event Notice is delivered by the Calculation Agent to the Issuer, and a Notice of Publicly Available Information shall not be required.

"**Excess Amount**" means any amount paid to the Holders but which was not due on the Credit Securities, as a result of the occurrence of a DC Credit Event Announcement, Event Determination Date or Credit Event Resolution Request Date on or around the date on which the amount in question would otherwise have been required to be paid or as a result of any Writedown Amount not having been taken into account.

"**Excluded Deliverable Obligation**" means:

(a) any obligation of the Reference Entity specified as such or of a type described in the related Final Terms;

(b) any principal only component of a Bond from which some or all of the interest components have been stripped; and

(c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

"**Excluded Obligation**" means:

(a) any obligation of the Reference Entity specified as such or of a type described in the related Final Terms;

(b) if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity and the Reference Entity is a Senior Transaction, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and

(c) if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity and the Reference Entity is a Subordinated Transaction, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

"**Exercise Amount**" has the meaning given to it in Credit Security Condition 8(a)(i).

"**Exercise Cut-off Date**" means the date that is the later of:

(a) 65 Business Days following the Final List Publication Date;

(b) 15 Credit Security Business Days following the Auction Final Price Determination Date, if any;

(c) 15 Credit Security Business Days following the Auction Cancellation Date, if any; or

(d) 15 Credit Security Business Days following the No Auction Announcement Date, if any,

or such later date as the relevant Credit Derivatives Determinations Committee Resolves.

"**Exhaustion Point**" means, in respect of Tranched Credit Securities, the value specified as such in the applicable Final Terms.

"**Expiration Date**" means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention.

"**Extended Physical Settlement Date**" means:

(a) in the case of a Capped Reference Entity, the 60th Credit Security Business Day following the Physical Settlement Date, provided that if, under the terms of a Hedge Transaction, the Original Bonds or Original Loans (or Assets which form part of the Asset Package intended to be Delivered in lieu of a Prior Deliverable Obligation or Package Observable Bond (the "**Original Assets**"), or any other Deliverable Obligations in lieu thereof), may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in

accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof or Original Assets or any other Deliverable Obligations in lieu thereof on or before the date falling three Credit Security Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten Credit Security Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof or Original Assets or any other Deliverable Obligations in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, such date may be further extended to a date falling up to three Credit Security Business Days or ten Credit Security Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may determine; and

(b) in the case of a Non-Capped Reference Entity, such date as the Calculation Agent may select, provided that such date falls no later than the 120th Credit Security Business Day following the Physical Settlement Date or, in the absence of such selection, such 120th Credit Security Business Day.

"**Extension Date**" means the latest of:

(a) the Scheduled Termination Date;

(b) the Grace Period Extension Date if:

(i) "Failure to Pay" and "Grace Period Extension" are specified as applicable in relation to any Reference Entity;

(ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Termination Date; and

(iii) an Extension Notice is delivered under sub-paragraph (b) of the definition thereof;

(c) the Repudiation/Moratorium Evaluation Date (if any) if:

(i) Repudiation/Moratorium is specified as applicable in relation to any Reference Entity; and

(ii) an Extension Notice is delivered under sub-paragraph (c) of the definition thereof.

"**Extension Notice**" means a notice from the Calculation Agent to the Issuer giving notice of the following in relation to a Reference Entity:

(a) without prejudice to sub-paragraphs (b), (c) or (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Termination Date; or

(b) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Termination Date; or

(c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Termination Date; or

(d) that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

"**Failure to Pay**" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

"**Fallback Settlement Event**" means:

(a) an Auction Cancellation Date occurs;

(b) a No Auction Announcement Date occurs (and in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) or (c)(ii) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms on or prior to the Movement Option Cut-off Date);

(c) a DC Credit Event Question Dismissal occurs; or

(d) an Event Determination Date has occurred pursuant to sub-paragraph (a) of the definition of "Event Determination Date", and no Credit Event Request Resolution Date has occurred within three Business Days of such Event Determination Date.

"**Fallback Settlement Method**" means Cash Settlement or Physical Settlement, as specified in the Final Terms.

"**Final List**" has the meaning given to that term in the Rules.

"**Final List Publication Date**" means, in respect of a Credit Event, the date on which the last Final List in respect of such Credit Event is published by ISDA.

"**Final Price**" means the price of the Reference Obligation or, as applicable, any Valuation Obligation, Deliverable Obligation or Undeliverable Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount (or, as the case may be, the Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event), as applicable, determined in accordance with:

(a) (in the case of Credit Notes or Credit Certificates) the highest Quotation or (in the case of Credit Warrants) the lowest Quotation obtained by the Calculation Agent (or otherwise in accordance with the definition of "Quotation") with respect to the Relevant Valuation Date (or, in the case of a relevant Asset other than Borrowed Money and other than a Non-Transferable Instrument or Non-Financial Instrument, such other market value of the relevant Asset as may be determined by the Calculation Agent in a commercially reasonable manner); or

(b) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the relevant Asset Market Value.

For the avoidance of doubt, if the Asset Package is or is deemed to be zero, the Final Price shall be zero.

If "Zero Recovery" is specified as applicable in the Final Terms, the Final Price shall be zero.

"**Final Price Calculation Date**" means an Auction Final Price Determination Date or, as the case may be, the date on which the Weighted Average Final Price or (as applicable) the Final Price is determined in respect of a particular Credit Event and the relevant Reference Entity. If "Zero Recovery" is specified as applicable in the Final Terms, the Final Price Calculation Date shall be the relevant Event Determination Date.

"**Final Settlement Date**" means the 10th Business Day following the latest to occur of the Final Price Calculation Dates in respect of the Reference Entities.

"**First Ranking Interest**" means an Interest which is expressed as being "first ranking", "first priority", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

"**Fixed Cap**" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

"**Full Quotation**" means, in accordance with (in the case of Credit Notes or Credit Certificates) the bid quotations or (in the case of Credit Warrants) the offer quotations provided by the Credit Security Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable) obtained from a Credit Security Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or, as the case may be, Undeliverable Obligations with an Outstanding Principal Balance or Due and Payable Amount, as applicable, equal to the Quotation Amount.

"**Fully Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds, in each case, as of both the NOPS Effective Date and the Delivery Date or, as applicable, the Relevant Valuation Date. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

"**Further Subordinated Obligation**" means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

"**Governmental Authority**" means (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof); (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body; (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its obligations; or (iv) any other authority which is analogous to any of the entities specified in (i) to (iii).

"**Governmental Intervention**" means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

(i) any event which would affect creditors' rights so as to cause:

(A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

(B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

(C) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or

(D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;

(ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;

(iii) a mandatory cancellation, conversion or exchange; or

(iv) any event which has an analogous effect to any of the events specified in (a)(i) to (a)(iii) above.

(b) For purposes of (a) above, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

"**Grace Period**" means:

(a) subject to sub-paragraphs (b) and (c), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if "Grace Period Extension" is applicable in relation to the relevant Reference Entity, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, thirty calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in relation to the relevant Reference Entity, such deemed Grace Period shall expire no later than the Scheduled Termination Date.

"**Grace Period Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET Settlement Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

"**Grace Period Extension Date**" means, if:

(a) "Grace Period Extension" is specified as applicable in relation to a Reference Entity; and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date,

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in relation to a Reference Entity, Grace Period Extension shall not apply.

"**Guarantee**" means a Relevant Guarantee or a guarantee which is the Reference Obligation.

"**Hedge Disruption Event**" means the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction.

"**Hedge Transaction**" means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Credit Securities.

"**Hedging Disruption**" means that the Issuer, the Guarantor, if applicable, and/or any of their respective Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge its exposure with respect to the Credit Securities, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Credit Securities.

"**Implicit Portfolio Size**" means an amount equal to (in the case of Credit Notes) the Aggregate Nominal Amount or (in the case of Credit Certificates) the aggregate Notional Amount as at the Issue Date divided by the Tranche Size.

"**Incurred Loss Amount**" means, with respect to a Reference Entity and a Final Price Calculation Date, an amount calculated on such Final Price Calculation Date equal to the lowest of:

(a) the Loss Amount;

(b) the Aggregate Loss Amount (including the related Loss Amount for that Reference Entity and Final Price Calculation Date) minus the Loss Threshold Amount on such Final Price Calculation Date (following any adjustments thereto on such date), subject to a minimum of zero; and

(c) the Outstanding Principal/Notional Amount (prior to any reduction thereto in respect of that Reference Entity and Final Price Calculation Date).

"**Incurred Recovery Amount**" means, with respect to a Reference Entity and a Final Price Calculation Date, an amount calculated on such Final Price Calculation Date equal to the lowest of:

(a) the Recovery Amount;

(b) the Aggregate Recovery Amount (including the related Recovery Amount for that Reference Entity and Final Price Calculation Date) minus the Recovery Threshold Amount on such Final Price Calculation Date (following any adjustments thereto on such date), subject to a minimum of zero; and

(c) the Outstanding Principal/Notional Amount (prior to any reduction thereto in respect of that Reference Entity and Final Price Calculation Date).

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Credit Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor, (if applicable) and/or any of their respective Affiliates shall not be deemed an Increased Cost of Hedging.

"**Index Sponsor**" means, in respect of a Reference Portfolio, the index sponsor (if any) specified as such in the applicable Final Terms.

"**Indicative Quotation**" shall mean each bid quotation obtained from a Credit Security Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation equal to the Quotation Amount, which reflects such Credit Security Dealer's reasonable assessment of the price of such Undeliverable Obligation based on such factors as such Credit Security Dealer may consider relevant, which may include historical prices and recovery rates.

"**Interest**" means, for the purposes of the definition of "First Ranking Interest", a charge, security interest or other type of interest having similar effect.

"**Interest Shortfall Amount**" means, in respect of each Credit Security and any Interest Payment Date or the Final Settlement Date, an amount equal to the aggregate of the shortfalls in the interest paid in respect of such Credit Security on any previous Interest Payment Date as a result of a Deemed Interest Reduction as against the interest which would have been payable in respect of such Credit Security on such Interest Payment Date on the basis of the actual Writedown Amount (if any) determined on the related Final Price Calculation Date or, as the case may be, on the basis of a determination by the Calculation Agent that no Event Determination Date has subsequently occurred or could subsequently occur in respect of the relevant Reference Entity.

"**Interest Shortfall Payment Date**" means, in respect of an Interest Shortfall Amount, the first Interest Payment Date to occur after the second Business Day following the related Final Price Calculation Date or the related date of determination by the Calculation Agent that no Event Determination Date has subsequently occurred or could subsequently occur in respect of the relevant Reference Entity, or, if there is no such Interest Payment Date, the Final Settlement Date

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

"**July 2009 Supplement**" means the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on 14 July 2009.

"**Largest Asset Package**" means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

"**Latest Credit Security Settlement Date**" means the latest to occur of the Credit Security Settlement Dates determined in relation to each Reference Entity in the Reference Portfolio, Tranched Interest Reference Portfolio, Tranched Principal Reference Portfolio, Untranched Interest Reference Portfolio and/or Untranched Principal Reference Portfolio.

"**Latest Maturity Restructured Bond or Loan**" means, in respect of a Reference Entity and a Credit Event that is a Restructuring, the Restructured Bond or Loan with the latest final maturity date.

"**Latest Permissible Physical Settlement Date**" means, in respect of a Potential Cash Settlement Event in respect of a Deliverable Obligation comprised of Loans where "Partial Cash Settlement of Consent Required Loans", "Partial Cash Settlement of Assignable Loans" or "Partial Cash Settlement of Participations" is specified as applicable in respect of the relevant Reference Entity, the date that is 15 Credit Security Business Days after the Physical Settlement Date, or, in respect of any other Potential Cash Settlement Event, 30 calendar days following the Physical Settlement Date.

"**Legacy Reference Entity**" has the meaning given to such term in Credit Security Condition 6(c)(ii) above.

"**Limitation Date**" means, in respect of a Credit Event that is a Restructuring, the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years, 7.5 years, 10 years (the "**10-year Limitation Date**"), 12.5 years, 15 years or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

"**Linear Basket Credit Certificate**" means Credit Certificates where the Issuer purchases credit protection from the Holders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Linear Basket Credit Notes**" means Credit Notes where the Issuer purchases credit protection from the Holders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Linear Basket Credit Securities**" means Linear Basket Credit Certificates, Linear Basket Credit Notes and/or Linear Basket Credit Warrants, as the case may be.

"**Linear Basket Credit Warrant**" means Credit Warrants where the Issuer sells credit protection to the Holders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listed Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"**Loan**" means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

"**London Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

"**Loss Amount**" means, in respect of Tranched Credit Securities, a Reference Entity and a Final Price Calculation Date, an amount calculated on that Final Price Calculation Date equal to:

(a) 100 per cent. minus either (i) the Auction Final Price or (ii) if Cash Settlement applies, the Weighted Average Final Price (or, if so specified in the applicable Final Terms, the Final Price or such other price specified therein) for that Reference Entity as of such Final Price Calculation Date; multiplied by

(b) the Reference Entity Notional Amount for that Reference Entity, as at the relevant Event Determination Date,

subject to a minimum of zero.

"**Loss Threshold Amount**" means, in respect of Tranched Credit Securities, an amount equal to the Implicit Portfolio Size multiplied by the Attachment Point.

"**LPN**" means any bond issued in the form of a loan participation note.

"**LPN Issuer**" means the entity which issued the relevant LPN.

"**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation which is issued for the sole purpose of providing funds to the LPN Issuer to finance an Underlying Loan. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation.

"**Maturity Date**" means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention.

"**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than:

(a) the period specified in relation to a Reference Entity; or

(b) if no such period is so specified, 30 years.

"**Merger Event**" means that at any time during the period from (and including) the Trade Date to (but excluding) (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date, a Reference Entity or any of the Issuer, (if applicable) the Guarantor and/or (except for Credit Warrants) a Holder consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, any of the Issuer, the Guarantor or (except for Credit Warrants) a Holder, as applicable, or a Reference Entity respectively, or a Reference Entity and any of the Issuer, (if applicable) the Guarantor and/or (except for Credit Warrants) a Holder become affiliates.

"**Merger Event Redemption Date**" means the date specified as such in the applicable Final Terms.

"**Minimum Quotation Amount**" means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no such amount is specified, the lower of:

(a) U.S.$ 1,000,000 (or its equivalent in the relevant Obligation Currency); and

(b) the Quotation Amount.

"**M(M)R Restructuring**" means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable in respect of the Reference Entity.

"**Modified Eligible Transferee**" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

"**Modified Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date.

Subject to the foregoing, if the Scheduled Termination Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination Date.

"**Movement Option Cut-off Date**" means the date that is one Relevant City Business Day following the Exercise Cut-off Date (or, if later, such other date as the relevant Credit Derivatives Determinations Committee Resolves) or such earlier date as the Issuer may designate by notice to the Calculation Agent and the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable).

"**Multiple Holder Obligation**" means an Obligation that:

(a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other; and

(b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above.

"**N**" or "**Nth**" means, where the relevant Final Terms specify that "Nth-to-Default Credit Security" is applicable, such number as may be specified in such Final Terms.

"**Next Currency Fixing Time**" means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPs Amendment Notice, as applicable, is effective or, as applicable, the date of selection of Valuation Obligations.

"**No Auction Announcement Date**" means, with respect to any Reference Entity and a Credit Event, the date on which the DC Secretary first publicly announces that:

(a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published with respect to credit derivative transactions in the over-the-counter market and the relevant Credit Event and Reference Entity;

(b) following the occurrence of an M(M)R Restructuring, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or

(c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to such Reference Entity and Credit Event following a prior public announcement by the DC Secretary to the contrary, in circumstances where either:

(i) no Parallel Auction will be held; or

(ii) one or more Parallel Auctions will be held.

"**Non-Capped Reference Entity**" means a Reference Entity which is not a Capped Reference Entity.

"**Non-Conforming Reference Obligation**" means a Reference Obligation which is not a Conforming Reference Obligation.

"**Non-Conforming Substitute Reference Obligation**" means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation" on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

"**Non-Standard Reference Obligation**" means the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

"**Non-Financial Instrument**" means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

"**Non-Transferable Instrument**" means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

"**NOPS Amendment Notice**" means a notice delivered by the Calculation Agent on behalf of the Issuer (with a copy to the Issuer), to the Holders notifying that the Calculation Agent is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice,

as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective).

"**NOPS Effective Date**" means the date on which a Notice of Physical Settlement or NOPS Amendment Notice, as the case may be, is delivered by the Issuer or the Calculation Agent (on its behalf).

"**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"**Not Domestic Currency**" means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency.

"**Not Domestic Issuance**" means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

"**Not Domestic Law**" means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law.

"**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt".

"**Not Subordinated**" means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable.

"**Notice Delivery Date**" means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent to the Issuer.

"**Notice Delivery Period**" means the period from and including the Trade Date to and including the date 15 Credit Security Business Days (or such other number of days as may be specified in the Final Terms) after the Extension Date (or, if the relevant Credit Event is an M(M)R Restructuring, the later of such date and the Exercise Cut-off Date).

"**Notice of Physical Settlement**" means a notice delivered by the Calculation Agent on behalf of the Issuer (with a copy to the Issuer), to the Holders on or prior to the latest of:

(a) 65 Business Days following the Final List Publication Date;

(b) subject to sub-paragraph (c) below, 25 Credit Security Business Days after the last to occur of the Auction Cancellation Date, the No Auction Announcement Date, the last Parallel Auction Cancellation Date and the last Parallel Notice of Physical Settlement Date (in each case if any and if applicable); and

(c) in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) or (c)(ii) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms to the Calculation Agent by the Movement Option Cut-off Date, 5 Credit Security Business Days following such Movement Option Cut-off Date;

(d) 30 calendar days following the Event Determination Date; and

(e) 10 calendar days following the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal,

(the "**NOPS Cut-off Date**") that:

(i) confirms that the Issuer intends to redeem the Credit Securities by Physical Settlement in accordance with Credit Security Condition 4; and

(ii) contains a detailed description of the Deliverable Obligations that the Issuer intends to Deliver (or procure Delivery of) to the Holders, including the Outstanding Amount and the aggregate Outstanding Amount of such Deliverable Obligations.

The Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on the Settlement Valuation Date at least equal to the Reference Entity Notional Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment.

The Issuer or the Calculation Agent (on its behalf) may, from time to time, deliver to the Holders in the manner specified above a NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each Replacement Deliverable Obligation and shall also specify the Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice).

Notwithstanding the foregoing, (i) the Issuer or the Calculation Agent (on its behalf) may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Issuer (given in the manner specified above) prior to the relevant Delivery Date, and (ii) if Asset Package Delivery is applicable, the Issuer or the Calculation Agent (on its behalf) shall, prior to the Delivery Date, notify the Holders of the detailed description of the Asset Package, if any, that it intends to Deliver to the Holders in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, it being understood in each case that such notice shall not constitute a NOPS Amendment Notice.

"**Notice of Publicly Available Information**" means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (a) and (b) of the definition of "Repudiation/Moratorium". The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in respect of the Reference Entity and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

"**Notional Credit Derivative Transaction**" means, with respect to any Credit Security and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Issuer, as (in the case of Credit Notes or Credit Certificates) Buyer or (in the case of Credit Warrants) Seller (each as defined in the Credit Derivatives Definitions), incorporating the terms of the Credit Derivatives Definitions and under the terms of which:

(a) the "Trade Date" is the Trade Date, if specified in the Final Terms and if not, the Issue Date;

(b) the "Scheduled Termination Date" is the Scheduled Termination Date;

(c) the "Reference Entit(y)(ies)" thereunder is (are) such Reference Entit(y)(ies);

(d) the applicable "Transaction Type", if any, is the Transaction Type for the purposes of such Credit Security; and

(e) the remaining terms as to credit linkage are consistent with the terms of such Credit Security as it relates to such Reference Entity.

"**Nth-to-Default Credit Certificate**" means any First-to-Default Credit Certificate or any other nth-to-default Credit Certificates where the Issuer purchases credit protection from the Holders in respect of two or more Reference Entities, as specified in the Final Terms.

"**Nth-to-Default Credit Note**" means any First-to-Default Credit Note or any other nth-to-default Credit Notes where the Issuer purchases credit protection from the Holders in respect of two or more Reference Entities, as specified in the Final Terms.

"**Nth-to-Default Credit Warrant**" means any First-to-Default Credit Warrant or any other nth-to-default Credit Warrants where the Issuer sells credit protection to the Holders in respect of two or more Reference Entities, as specified in the Final Terms.

"**Obligation**" means:

(a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the Method for Determining Obligations; and

(b) the Reference Obligation,

in each case, unless it is an Excluded Obligation.

For purposes of the "**Method for Determining Obligations**", the term "Obligation" may be defined as each obligation of the Reference Entity described by the Obligation Category specified in respect thereof and having each of the Obligation Characteristics, if any, specified in respect thereof, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable.

"**Obligation Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

"**Obligation Category**" means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in relation to a Reference Entity.

"**Obligation Characteristic**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in relation to a Reference Entity.

"**Obligation Currency**" means the currency or currencies in which an Obligation is denominated.

"**Obligation Default**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

"**Original Bonds**" means any Bonds comprising part of the relevant Deliverable Obligations.

"**Original Loans**" means any Loans comprising part of the relevant Deliverable Obligations.

"**Original Non-Standard Reference Obligation**" means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in relation to the Reference Entity (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the Reference Entity (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) otherwise specified in the Final Terms by reference to this definition, or (b) the Reference Entity is a Reference Obligation Only Trade.

"**Outstanding Amount**" means the Outstanding Principal Balance or Due and Payable Amount, as applicable.

The "**Outstanding Principal Balance**" of an obligation will be calculated as follows:

(i) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with Credit Security Condition 5(h) (Accrued Interest), the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);

(ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in paragraph (i) less any amounts subtracted in accordance with this paragraph (ii), the "**Non-Contingent Amount**"); and

(iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

(A) unless otherwise specified, in accordance with the terms of the obligation in effect on either (I) the NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (II) the Relevant Valuation Date, as applicable; and

(B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

"**Outstanding Principal/Notional Amount**" means, in respect of Tranched Credit Securities, at any time on any day, an amount (subject to a minimum of zero) equal to (a) (in the case of Credit Notes) the Aggregate Nominal Amount or (in the case of Credit Certificates) the aggregate Notional Amount as at the Issue Date minus (b) the sum of all Writedown Amounts determined at or prior to such time.

"**Package Observable Bond**" means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of Deliverable Obligation set out in paragraph (a) or (b) of the definition of "Deliverable Obligation", in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

"**Parallel Auction**" means "Auction" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Cancellation Date**" means "Auction Cancellation Date" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Final Price Determination Date**" means the "Auction Final Price Determination Date" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Settlement Terms**" means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions which would be applicable to the Notional Credit Derivative Transaction and for which the Notional Credit Derivative Transaction would not be an Auction Covered Transaction.

"**Parallel Notice of Physical Settlement Date**" means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

"**Partial Cash Settlement Amount**" means where the applicable Settlement Method is Physical Settlement, an amount determined by the Calculation Agent equal to the aggregate, for each Undeliverable Obligation, of:

(a) the Final Price of such Undeliverable Obligations multiplied by;

(b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of such Undeliverable Obligation specified in the relevant Notice of Physical Settlement or NOPS Amendment Notice, as applicable.

"**Partial Cash Settlement Date**" means the date falling three Credit Security Business Days (unless otherwise specified in relation to a Reference Entity) after the calculation of the Final Price.

"**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

"**Payment Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified in the applicable Final Terms, U.S.$ 1,000,000 or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency), in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"**Permissible Deliverable Obligations**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

"**Permitted Contingency**" means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

(a) as a result of the application of:

(i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;

(ii) provisions implementing the Subordination of the obligation;

(iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);

(iv) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in respect of the Reference Entity; or

(v) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity; or

(b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

"**Permitted Transfer**" means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

"**Physical Settlement Adjustment**" means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement or NOPS Amendment Notice, by an amount of Deliverable Obligations having a liquidation value equal to the Unwind Costs (only if positive) rounded upwards to the nearest whole denomination of a Deliverable Obligation, such amount to be determined by the Calculation Agent. For the avoidance of doubt, if the applicable Final Terms specify that Unwind Costs are not applicable, the Physical Settlement Adjustment shall be zero.

"**Physical Settlement Adjustment Rounding Amount**" means an amount (if any) equal to the difference between the absolute value of the Physical Settlement Adjustment and the liquidation value of such whole number of Deliverable Obligations as are not required to be Delivered by the Issuer by way of compensation for any Unwind Costs.

"**Physical Settlement Date**" means the last day of the longest Physical Settlement Period following the NOPS Cut-off Date as specified in relation to a Reference Entity as the Calculation Agent may designate.

"**Physical Settlement Matrix**" means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Trade Date (unless otherwise specified in relation to a Reference Entity) and as published by ISDA on its website at www.isda.org (or any successor website thereto), provided that any reference therein to:

(a) "Confirmation" shall be deemed to be a reference to the applicable Final Terms;

(b) "Floating Rate Payer Calculation Amount" shall be deemed to be a reference to the Specified Currency;

(c) "Section 1.32" shall be deemed to be a reference to "Credit Event Notice" as defined in this Annex 10;

(d) "Section 1.33" shall be deemed to be a reference to Credit Security Condition 8(a); and

(e) "Section 8.19" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Annex 10.

"**Physical Settlement Period**" means, subject to Credit Security Condition 2(e), the number of Credit Security Business Days specified as such in relation to a Reference Entity or, if a number of Credit Security Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, the longest number of Credit Security Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent, provided that if the Issuer or Calculation Agent (on its behalf) intends to Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be thirty Business Days.

"**Post Dismissal Additional Period**" means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is (in the case of Credit Notes or Credit Certificates) 15 Business Days or (in the case of Credit Warrants) fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date or, as applicable, the Issue Date)).

"**Potential Cash Settlement Event**" means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, but excluding market conditions, or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Holder to give the Issuer details of accounts for settlement; or a failure of the Holder to open or procure the opening of such accounts or if the Holders are unable to accept Delivery of the portfolio of Deliverable Obligations for any other reason).

"**Potential Failure to Pay**" means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

"**Potential Repudiation/Moratorium**" means the occurrence of an event described in sub-paragraph (a) of the definition of "Repudiation/Moratorium".

"**Prior Deliverable Obligation**" means:

(a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Deliverable Obligation set out in paragraph (a) or (b) of the definition of "Deliverable Obligation", in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or

(b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

"**Prior Reference Obligation**" means, in circumstances where there is no Reference Obligation applicable to a Reference Entity, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the related Final Terms as the Reference Obligation, if any, if such Reference Obligation

was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity.

"**Private-side Loan**" means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

"**Prohibited Action**" means any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event") or right of set- off by or of the Reference Entity or any applicable Underlying Obligor.

"**Public Source**" means each source of Publicly Available Information specified as such in the related Final Terms (or, if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources).

"**Publicly Available Information**" means information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event Notice has occurred and which:

(i) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);

(ii) is information received from or published by (A) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign), or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

(iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraphs (ii) or (iii) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in (ii) or (iii) above, the Calculation Agent, the Issuer and/or any other party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state (i) in relation to the "Downstream Affiliate" definition, the percentage of Voting Shares owned by the Reference Entity and (ii) that the relevant occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period, or (C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both sub-paragraphs (a) and (b) of the definition of "Repudiation/Moratorium".

"**Qualifying Affiliate Guarantee**" means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

"**Qualifying Guarantee**" means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

(a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or

(b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:

(i) by payment;

(ii) by way of Permitted Transfer;

(iii) by operation of law;

(iv) due to the existence of a Fixed Cap; or

(v) due to:

(A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity; or

(B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in respect of the Reference Entity.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non- payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of "Bankruptcy" in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

(x) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and

(y) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

"**Qualifying Participation Seller**" means any participation seller that meets the requirements specified in relation to a Reference Entity. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"**Quantum of the Claim**" means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

"**Quotation**" means, in respect of any Reference Obligation, Deliverable Obligation or Undeliverable Obligation, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more Credit Security Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Credit Security Business Day within three Credit Security Business Days of a Relevant Valuation Date, then on the next following Credit Security Business Day (and, if necessary, on each Credit Security Business Day thereafter until the tenth Credit Security Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Credit Security Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Credit Security Business Day on or prior to the tenth Credit Security Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Credit Security Dealer at the Valuation Time on such tenth Credit Security Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Credit Security Dealers at the Valuation Time on such tenth Credit Security Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation shall be deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

"**Quotation Amount**" means:

(a) with respect to a Reference Obligation, the amount specified in relation to a Reference Entity (which may be specified by reference to an amount in a currency or by reference to the Representative Amount) or, if no amount is so specified, the Reference Entity Notional Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

(b) with respect to each type or issue of Deliverable Obligation to be Delivered on or prior to the Physical Settlement Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Deliverable Obligation; and

(c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Undeliverable Obligation.

"**Recovery Amount**" means, in respect of Tranched Credit Securities, a Reference Entity and a Final Price Calculation Date, an amount calculated on that Final Price Calculation Date equal to:

(a) the lesser of 100 per cent. and either (i) the Auction Final Price or (ii) if Cash Settlement applies, the Weighted Average Final Price (or, if so specified in the applicable Final Terms, the Final Price or such

other price specified therein) for that Reference Entity as of such Final Price Calculation Date; multiplied by

(b) the Reference Entity Notional Amount for that Reference Entity, as at the relevant Event Determination Date,

subject to a minimum of zero.

"**Recovery Threshold Amount**" means, in respect of Tranched Credit Securities, an amount equal to (a) the Implicit Portfolio Size multiplied by (b) 100 per cent. minus the Exhaustion Point.

"**Redemption Date**" means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention.

"**Redemption Preliminary Amount**" means, in respect of Tranched Credit Securities and any relevant date, a pro rata share per Tranched Credit Security of an amount (subject to a minimum of zero) equal to:

(a) (in the case of Credit Notes) the aggregate outstanding principal amount or (in the case of Credit Certificates) the aggregate outstanding Notional Amount (in each case, for the avoidance of doubt, after deduction of the sum of all Writedown Amounts determined at or prior to such time), minus

(b) the Unsettled Retention Amount.

"**Redemption Residual Amount**" means, in respect of Tranched Credit Securities and any relevant date, a pro rata share per Tranched Credit Security of an amount (subject to a minimum of zero) equal to (in the case of Credit Notes) the remaining aggregate outstanding principal amount or (in the case of Credit Certificates) the remaining aggregate outstanding Notional Amount (in each case, for the avoidance of doubt, after deduction of the aggregate Redemption Preliminary Amounts of the Credit Securities and the sum of all Writedown Amounts determined at or prior to such time).

"**Reference Entity**" or "**Reference Entities**" means the reference entity or reference entities specified in the Final Terms and any Successor to a Reference Entity either:

(a) identified by the Calculation Agent in accordance with the definition of "Successor" on or following the Trade Date; or

(b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date,

shall, in each case, with effect from the Succession Date, be the Reference Entity for the Credit Securities, as the terms of which may be modified pursuant to Credit Security Condition 6.

"**Reference Entity Notional Amount**" means the amount in which the Issuer has purchased (in the case of Credit Notes or Credit Certificates) or sold (in the case of Credit Warrants) credit protection in respect of one or more Reference Entities, as set out in the Final Terms (or, if no such amount is specified:

(a) (in the case of Credit Notes) the Aggregate Nominal Amount or, in the case of Partly Paid Notes, the paid-up Aggregate Nominal Amount or (in the case of Credit Certificates or Credit Warrants) the aggregate Notional Amount of the Credit Securities or, in the case of Partly Paid Certificates, the paid-up aggregate Notional Amount of the Partly Paid Certificates, in each case, divided by the number of Reference Entities (and, in the case of Instalment Notes or Instalment Certificates, subject to reduction on redemption); or

(b) (in the case of Tranched Credit Securities) the Implicit Portfolio Size multiplied by the Reference Entity Weighting for the relevant Reference Entity,

subject to Credit Security Conditions 6 and 8.

"**Reference Entity Weighting**" means, in respect of a Reference Entity, the weighting as specified in the Reference Portfolio for such Reference Entity.

"**Reference Obligation**" means the Standard Reference Obligation, if any, unless:

(a) "Standard Reference Obligation" is specified as not applicable in relation to a Reference Entity, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or

(b) (i) "Standard Reference Obligation" is specified as applicable in relation to a Reference Entity (or no election is specified in relation to a Reference Entity), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in relation to a Reference Entity, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

"**Reference Obligation Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics (for purposes of determining Obligations) or, as the case may be, no Deliverable Obligation Characteristics (for purposes of determining Deliverable Obligations) shall be applicable where Reference Obligation Only applies.

"**Reference Obligation Only Trade**" means a Reference Entity in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category and (b) "Standard Reference Obligation" is specified as not applicable. If the event set out in paragraph (i) of the definition of "Substitution Event" occurs with respect to the Reference Obligation in a Reference Obligation Only Trade, the Issuer shall redeem or cancel, as applicable, all but not some only of the Credit Securities on a date as specified by notice to the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, on or after the Substitution Event Date, and at an amount (which may be zero) in respect of each Credit Security equal to the fair market value of such Credit Security taking into account the relevant Substitution Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in a commercially reasonable manner.

Notwithstanding the definition of "Substitute Reference Obligation", (i) no Substitute Reference Obligation shall be determined in respect of a Reference Obligation Only Trade and (ii) if the events set out in paragraphs (ii) or (iii) of the definition of "Substitution Event" occur with respect to the Reference Obligation in a Reference Obligation Only Trade, such Reference Obligation shall continue to be the Reference Obligation.

"**Reference Portfolio**" means either:

(a) the portfolio of Reference Entities and related Reference Obligations as specified in the applicable Final Terms; or

(b) if a Relevant Annex is specified in the applicable Final Terms, the portfolio of Reference Entities and related Reference Obligations referred to in that Relevant Annex.

"**Relevant Annex**" means, in respect of a Reference Portfolio, the relevant annex (if any) specified as such in the applicable Final Terms.

"**Relevant City Business Day**" has the meaning given to that term in the Rules in respect of the relevant Reference Entity.

"**Relevant Guarantee**" means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in respect of the Reference Entity, a Qualifying Guarantee.

"**Relevant Holder**" means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement, or NOPS Amendment Notice, as applicable.

"**Relevant Obligations**" means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

(i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;

(ii) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under the definition of "Successor", make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;

(iii) if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity and "Senior Transaction" is applicable in respect of the Reference Entity, the related Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and

(iv) if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity, and "Subordinated Transaction" is applicable in respect of the Reference Entity, the related Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if the "Senior Transaction" were applicable in respect of the Reference Entity.

"**Relevant Valuation Date**" means the Settlement Valuation Date or Valuation Date, as the case may be.

"**Replaced Deliverable Obligation Outstanding Amount**" means the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced.

"**Replacement Deliverable Obligation**" means each replacement Deliverable Obligation that the Issuer intends to, subject to Credit Security Condition 4, Deliver to the Holders in lieu of each original Deliverable Obligation which has not been Delivered as at the date of such NOPS Amendment Notice.

"**Replacement Reference Entity**" means any entity selected by the Calculation Agent acting in a commercially reasonable manner, which is incorporated in the same geographical area, has the same Transaction Type as the Legacy Reference Entity and which is of a similar or better credit quality than the Legacy Reference Entity, as measured by Standard & Poor's Ratings Services and/or by Moody's Investors Service Ltd., at the date of the relevant Succession Date provided that in selecting any Replacement Reference Entity, the Calculation Agent is under no obligation to the Holders, the Issuer or any other person and, provided that the Successor selected meets the criteria specified above, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Holders, the Issuer or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"**Repudiation/Moratorium**" means the occurrence of both of the following events:

(a) an authorised officer of the Reference Entity or a Governmental Authority:

(i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or

(ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

"**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date:

(a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of:

(i) the date that is 60 days after the date of such Potential Repudiation/Moratorium; and

(ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and

(b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium.

"**Resolve**" has the meaning given to that term in the Rules, and "**Resolved**" and "**Resolves**" shall be interpreted accordingly.

"**Restructured Bond or Loan**" means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"**Restructuring**" means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of

such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of such Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

(ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

(iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

(b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:

(i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

(iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(iv) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (a)(v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

(c) For the purposes of (a) and (b) above and Credit Security Condition 8(e), the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.

(d) If an exchange has occurred, the determination as to whether one of the events described under (a)(i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

"**Restructuring Date**" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"**Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "**Latest Maturity Restructured Bond or Loan**") and the Scheduled Termination Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

"**Revised Currency Rate**" means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either:

(a) by reference to the Currency Rate Source as at the Next Currency Fixing Time; or

(b) if such rate is not available at such time, as the Calculation Agent shall determine in a commercially reasonable manner.

"**Rules**" means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"**Scheduled Termination Date**" means (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date.

"**Senior Obligation**" means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

"**Senior Transaction**" means a Reference Entity for which (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation.

"**Seniority Level**" means, with respect to an obligation of the Reference Entity, (a) "Senior Level" or "Subordinated Level" as specified in respect of the Reference Entity, or (b) if no such seniority level is specified in respect of the Reference Entity, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) "Senior Level".

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms, or if no currency is so specified in the Final Terms, the Specified Currency.

"**Settlement Method**" means the settlement method specified as such in the Final Terms and if no Settlement Method is specified in the Final Terms, Auction Settlement.

"**Settlement Valuation Date**" means the date being three Credit Security Business Days prior to the Delivery Date provided that if a Notice of Physical Settlement or NOPS Amendment Notice, as applicable, is given or, as the case may be, changed at any time after the third Credit Security Business Day prior to the Physical Settlement Date, the Settlement Valuation Date shall be the date which is three Credit Security Business Days after such Notice of Physical Settlement or NOPS Amendment Notice, as applicable, is given.

"**Single Reference Entity Credit Certificate**" means Credit Certificates where the Issuer purchases credit protection from the Holders in respect of only one Reference Entity.

"**Single Reference Entity Credit Note**" means Credit Notes where the Issuer purchases credit protection from the Holders in respect of only one Reference Entity.

"**Single Reference Entity Credit Securities**" means Single Reference Entity Credit Certificates, Single Reference Entity Credit Notes and/or Single Reference Entity Credit Warrants, as the case may be.

"**Single Reference Entity Credit Warrant**" means Credit Warrants where the Issuer sells credit protection to the Holders in respect of only one Reference Entity.

"**Solvency Capital Provisions**" means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

"**Sovereign No Asset Package Delivery Supplement**" means the 2014 Sovereign No Asset Package Delivery Supplement to the 2014 ISDA Credit Derivatives Definitions, as published by ISDA.

"**Sovereign Restructured Deliverable Obligation**" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within the definition of a Deliverable Obligation set out in paragraph (a) of the definition of "Deliverable Obligation" immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"**Sovereign Succession Event**" means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

"**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in respect of the Reference Entity (or, if "Specified Currency" is specified in respect of the Reference Entity and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

"**Specified Number**" means the number of Public Sources specified in respect of the Reference Entity (or, if no such number is specified, two).

"**SRO List**" means the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

"**Standard Reference Obligation**" means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

"**Standard Specified Currencies**" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

"**Steps Plan**" means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

"**Subordinated Obligation**" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

"**Subordinated Transaction**" means a Reference Entity for which the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

"**Subordination**" means, with respect to an obligation (the "**Second Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**First Obligation**"), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date.

"**Substitute Reference Obligation**" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

(a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.

(b) If any of the events set forth under paragraphs (i) or (iii) of the definition of "Substitution Event" have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (ii) of the definition of "Substitution Event" has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (i) or (iii) of the definition of "Substitution Event" occur with respect to such Non-Standard Reference Obligation.

(c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:

(i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);

(ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and

(iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:

(I) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,

(II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation";

(B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

(I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

(II) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,

(III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

(IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation"; or

(C) if the Non-Standard Reference Obligation was a Loan which was a Non- Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:

(I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

(II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

(III) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,

(IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation".

(d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c), the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Credit Securities, as determined by the Calculation Agent. The Substitute Reference Obligation determined by the Calculation Agent shall, without further action, replace the Non-Standard Reference Obligation.

(e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b), the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

"**Substitute Reference Obligation Resolution Request Date**" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve a Substitute Reference Obligation to the Non-Standard Reference Obligation, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"**Substitution Date**" means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent identifies the Substitute Reference Obligation in accordance with the definition of "Substitute Reference Obligation".

"**Substitution Event**" means, with respect to the Non-Standard Reference Obligation:

(i) the Non-Standard Reference Obligation is redeemed in whole;

(ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or

(iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraphs (i) or (ii) of the definition of "Substitution Event" has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to such paragraph (i) or (ii), as the case may be, on the Trade Date.

"**Substitution Event Date**" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

"**succeed**" for the purposes of the provisions relating to the determination of a Successor and the definitions of "Successor" and "Sovereign Succession Event", means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of the provisions relating to the determination of a Successor and the definitions of "Successor" and "Sovereign Succession Event", "**succeeded**" and "**succession**" shall be construed accordingly.

"**Succession Date**" means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to the definition of "Successor" would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

"**Successor Backstop Date**" means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Calculation Agent determines a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) has occurred and (ii) the Successor Resolution Request Date, in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Calculation Agent determines, not more than fifteen Credit Security Business Days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) has occurred. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Successor**" means, subject to Credit Security Condition 6(a)(ii), the entity or entities, if any, determined as follows:

(i) subject to paragraph (vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor in respect of the relevant Reference Entity;

(ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor in respect of the relevant Reference Entity;

(iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-

five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;

(iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor;

(v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;

(vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor); and

(vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor for the relevant Reference Entity.

"**Successor Resolution Request Date**" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"**Surviving Reference Entity**" has the meaning given to such term in Credit Security Condition 6(c)(ii) above.

"**TARGET Settlement Day**" means any day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

"**Trade Date**" means the date specified as such in the applicable Final Terms.

"**Tranche Size**" means, in respect of Tranched Credit Securities, the Exhaustion Point minus the Attachment Point.

"**Tranched Credit Certificates**" means Credit Certificates where the Issuer purchases credit protection from the Holders in respect of a tranched basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Tranched Credit Notes**" means Credit Notes where the Issuer purchases credit protection from the Holders in respect of a tranched basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Tranched Credit Securities**" means Tranched Credit Certificates and/or Tranched Credit Notes, as the case may be.

"**Tranched Interest Attachment Point**" means the value specified as such in the applicable Final Terms.

"**Tranched Interest Exhaustion Point**" means the value specified as such in the applicable Final Terms.

"**Tranched Interest Reference Portfolio**" means either:

(a) the portfolio of Reference Entities and related Reference Obligations as specified in the applicable Final Terms; or

(b) if a Relevant Annex is specified in the applicable Final Terms, the portfolio of Reference Entities and related Reference Obligations referred to in that Relevant Annex.

"**Tranched Principal Attachment Point**" means the value specified as such in the applicable Final Terms.

"**Tranched Principal Exhaustion Point**" means the value specified as such in the applicable Final Terms.

"**Tranched Principal Reference Portfolio**" means either:

(a) the portfolio of Reference Entities and related Reference Obligations as specified in the applicable Final Terms; or

(b) if a Relevant Annex is specified in the applicable Final Terms, the portfolio of Reference Entities and related Reference Obligations referred to in that Relevant Annex.

"**Transaction Auction Settlement Terms**" means, in respect of any Reference Entity and a related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA in respect of such Credit Event and in respect of which the Notional Credit Derivative Transaction would be an Auction Covered Transaction.

"**Transaction Type**" means, unless otherwise specified in the Final Terms, each "Transaction Type" specified as such in the Physical Settlement Matrix from time to time.

"**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or

(c) restrictions in respect of blocked periods on or around payment dates or voting periods.

"**Undeliverable Obligation**" means a Deliverable Obligation included in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Settlement Date.

"**Underlying Finance Instrument**" means where the LPN Issuer provides finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument.

"**Underlying Loan**" means where the LPN Issuer provides a loan to the Reference Entity.

"**Underlying Obligation**" means, with respect to a guarantee, the obligation which is the subject of the guarantee.

"**Underlying Obligor**" means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

"**Unsettled Credit Event**" means any Event Determination Date in respect of a Reference Entity for which the related Final Price Calculation Date has not occurred.

"**Unsettled Retention Amount**" means, in respect of Tranched Credit Securities in respect of which one or more Unsettled Credit Events has occurred, the sum of the maximum aggregate Incurred Loss Amounts and maximum aggregate Incurred Recovery Amounts which could be determined (assuming an Auction Final Price, Weighted Average Final Price or Final Price of zero in respect of each Unsettled Credit Event).

"**Untranched Credit Certificates**" means Credit Certificates where the Issuer purchases credit protection from the Holders in respect of an untranched basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Untranched Credit Notes**" means Credit Notes where the Issuer purchases credit protection from the Holders in respect of an untranched basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Untranched Credit Securities**" means Untranched Credit Certificates and/or Untranched Credit Notes, as the case may be.

"**Untranched Interest Reference Portfolio**" means either:

(a) the portfolio of Reference Entities and related Reference Obligations as specified in the applicable Final Terms; or

(b) if a Relevant Annex is specified in the applicable Final Terms, the portfolio of Reference Entities and related Reference Obligations referred to in that Relevant Annex.

"**Untranched Principal Reference Portfolio**" means either:

(a) the portfolio of Reference Entities and related Reference Obligations as specified in the applicable Final Terms; or

(b) if a Relevant Annex is specified in the applicable Final Terms, the portfolio of Reference Entities and related Reference Obligations referred to in that Relevant Annex.

"**Unwind Costs**" means the amount specified in the applicable Final Terms or if "Standard Unwind Costs" are specified in the applicable Final Terms (or in the absence of such specification), an amount (such amount prior to any apportionment pro rata, the "**Aggregate Unwind Costs**"), subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption, settlement, cancellation and/or termination of the Credit Securities (and/or the reduction in the outstanding principal amount or outstanding Notional Amount thereof) and the related termination, settlement or re-establishment of any Hedge Transaction, such amount to be apportioned pro rata amongst the outstanding (and in the case of Partly Paid Notes, paid-up) nominal amount or outstanding (and, in the case of Partly Paid Certificates, paid-up) notional amount of each Credit Security equal to

the (in the case of Credit Notes) Calculation Amount or (in the case of Credit Certificates or Credit Warrants) Notional Amount set out in the applicable Final Terms.

"**Valuation Date**" means:

(a) any Credit Security Business Day falling between the 55th and the 122nd Credit Security Business Day following the Event Determination Date (or, if the Event Determination Date occurs pursuant to sub-paragraph (b) above of the definition of "Event Determination Date", the day on which the DC Credit Event Announcement occurs, if later), or, following any Auction Cancellation Date or No Auction Announcement Date, such later Credit Security Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

(b) if "Cash Settlement" is applicable as a Fallback Settlement Method, any Credit Security Business Day falling between the 55th and the 122nd Credit Security Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later Credit Security Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

(c) if Partial Cash Settlement applies, the date which is up to fifteen Credit Security Business Days after the Latest Permissible Physical Settlement Date or, as applicable the Extended Physical Settlement Date (as selected by the Calculation Agent in its sole and absolute discretion).

"**Valuation Obligation**" means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit Security Conditions, one or more obligations of such Reference Entity (either directly or as provider of a Relevant Guarantee) which is capable of being specified in a Notice of Physical Settlement (or in any NOPS Amendment Notice, as applicable) if Physical Settlement were the applicable Settlement Method and/or any Asset in the related Asset Package in respect of a Prior Deliverable Obligation or Package Observable Bond, in each case, as selected by the Issuer in its sole and absolute discretion on or prior to the applicable Valuation Date, provided that, for such purpose:

(a) any reference to "Delivery Date" or "NOPS Effective Date" in the definitions of "Conditionally Transferable Obligation", "Deliverable Obligation", within any of the terms comprising "Deliverable Obligation Category" or "Deliverable Obligation Characteristic" and "Due and Payable Amount" shall be deemed to be a reference to the words "Relevant Valuation Date"; and

(b) in respect of any Asset in the related Asset Package in respect of a Prior Deliverable Obligation or Package Observable Bond, any reference to "Outstanding Principal Balance", "Due and Payable Amount" or "Outstanding Amount" in the definitions of "Final Price", "Full Quotation", "Quotation", "Quotation Amount" and "Weighted Average Quotation" shall be deemed to be a reference to the words "Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event".

For the avoidance of doubt, the use of Deliverable Obligation terms in the definition of "Valuation Obligation" is for convenience only and is not intended to amend the selected settlement method.

"**Valuation Obligations Portfolio**" means one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion, each in an Outstanding Amount (or, as the case may be, an Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event) selected by the Calculation Agent in its sole and absolute discretion (and references to "Quotation Amount" shall be construed accordingly), provided that the aggregate of such Outstanding Amounts (or in each case the equivalent in the Specified Currency thereof (converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to (and including) the Valuation Date,

as selected by the Calculation Agent in its sole and absolute discretion)), shall not exceed the relevant Reference Entity Notional Amount.

"**Valuation Time**" means the time specified in relation to a Reference Entity or, if no such time is specified, 11:00 a.m. in the principal trading market for the relevant Valuation Obligation or Undeliverable Obligation, as the case may be.

"**Voting Shares**" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"**Weighted Average Final Price**" means the weighted average of the Final Prices determined for each selected Valuation Obligation in the Valuation Obligations Portfolio, weighted by the Currency Amount of each such Valuation Obligation (or its equivalent in the Settlement Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time of such determination).

If "Zero Recovery" is specified as applicable in the Final Terms, the Weighted Average Final Price shall be zero.

"**Weighted Average Quotation**" means, in accordance with (in the case of Credit Notes and Credit Certificates) the bid quotations or (in the case of Credit Warrants) the offer quotations provided by the Credit Security Dealers, the weighted average of firm quotations obtained from the Credit Security Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation, Deliverable Obligation or Undeliverable Obligation, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable (or its equivalent in the relevant currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time of such determination), of as large a size as available but less than the Quotation Amount (in the case of Deliverable Obligations only, but of a size at least equal to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

"**Writedown Amount**" means, in respect of an Event Determination Date relating to a Reference Entity, the aggregate of the Incurred Loss Amounts (if any) and Incurred Recovery Amounts (if any) for the related Final Price Calculation Date and any related Aggregate Unwind Costs.

11. Amendments to Note Conditions and W&C Security Conditions

11.1 Amendments to Note Conditions

The Terms and Conditions of the Notes are amended as follows:

(a) In the penultimate paragraph of Condition 3.1 (Interest on Fixed Rate Notes), (i) each reference to "the aggregate outstanding nominal amount" shall be deleted and replaced with "the daily average of the aggregate outstanding nominal amount"; and (ii) the reference to "the aggregate amount paid up" shall be deleted and replaced with "the daily average of the aggregate amount paid up and outstanding".

(b) In paragraph (i) and paragraph (ii) of each of Condition 3.2(c) (Determination of Rate of Interest and Calculation of Interest Amount) and Condition 3.3(c) (Determination of Rate of Interest and Calculation of Interest Amount), each reference to "the aggregate outstanding nominal amount" shall be deleted and replaced with "the daily average of the aggregate outstanding nominal amount".

(c) In paragraph (i) of each of Condition 3.2(c) (Determination of Rate of Interest and Calculation of Interest Amount) and Condition 3.3(c) (Determination of Rate of Interest and Calculation of Interest Amount), the reference to "(or, if they are Partly Paid Notes, the aggregate amount paid up)" shall be deleted and replaced with "(or, if they are Partly Paid Notes, the daily average of the aggregate amount paid up and outstanding)".

(d) In Condition 3.10 (Interest on Partly Paid Notes), the reference to "paid-up nominal amount of such Notes" shall be deleted and replaced with "the daily average of the nominal amount paid up and outstanding of such Notes".

(e) In Condition 3.11 (Interest Payments), the second sentence thereof shall be deleted and replaced with the following:

"If such Note is redeemed early (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the due date for redemption of such Note (or if the applicable Final Terms specify that Accrual to Preceding IPED is applicable, interest will cease to accrue from and including the Interest Period End Date immediately preceding (A) the date on which notice is given for the early redemption of such Note or (B) if there is no such notice, the due date for early redemption of such Note).".

(f) Condition 5.1 (Final Redemption) shall be amended by adding the following immediately before the end thereof:

"Notwithstanding the above, unless previously redeemed or purchased and cancelled as provided below, each Credit Security will be redeemed in accordance with the Credit Security Conditions and the applicable Final Terms.".

11.2 Amendments to W&C Security Conditions

The Terms and Conditions of the W&C Securities are amended as follows:

(a) Condition 23.4 (General) shall be amended by adding the following immediately before the end thereof:

"Exercise and settlement of each Credit Warrant shall be subject to the Credit Security Conditions and the applicable Final Terms.".

(b) In the penultimate paragraph of Condition 31(a) (Interest on Fixed Rate Certificates), the reference to "the Notional Amount of each Certificate" shall be deleted and replaced with "the average daily outstanding Notional Amount of each Certificate".

(c) The last paragraph of Condition 31(b)(vi) (Determination of Rate of Interest and Calculation of Interest Amount) shall be amended by deleting and replacing the reference to "the Notional Amount of such Certificate" with the following:

"the average daily outstanding Notional Amount of such Certificate".

(d) In Condition 31(e) (Interest on Partly Paid Certificates), the reference to "paid-up amount of such Certificates" shall be deleted and replaced with the following:

" paid-up average daily outstanding amount of such Certificates".

(e) In Condition 31(f) (Accrual of Interest), the second sentence thereof shall be deleted and replaced with the following:

"If such Certificate is redeemed early, (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant payment date has not occurred on or prior to the due date for

redemption of such Certificate (or if the applicable Final Terms specify that Accrual to Preceding IPED is applicable, interest will cease to accrue from and including the Interest Period End Date immediately preceding (A) the date on which notice is given for the early redemption of such Certificate or (B) if there is no such notice, the due date for early redemption of such Certificate), unless in either case payment of principal and/or delivery of all assets deliverable is improperly withheld or refused.".

Part A-2

2003 Definitions (as supplemented by July 2009 Supplement)

The provisions of this Part A-2 apply in relation to Credit Securities where the Final Terms of such Credit Securities specify that "2003 Definitions (as supplemented by July 2009 Supplement)" shall apply.

1. General

(a) Credit Terms

The Final Terms shall specify:

(a) the type of Credit Securities, being Single Reference Entity Credit Securities, Nth-to-Default Credit Securities or Linear Basket Credit Securities;

(b) the Settlement Method (if not Auction Settlement) and, where Auction Settlement applies, the applicable Fallback Settlement Method;

(c) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;

(d) the Reference Obligation(s) (if any) in respect of each Reference Entity;

(e) the Trade Date and (in the case of Credit Notes) the Maturity Date, (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Warrants) the Expiration Date;

(f) the Transaction Type applicable to each Reference Entity; and

(g) the Reference Entity Notional Amount in respect of each Reference Entity.

(b) Physical Settlement Matrix

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, then the provisions of these Terms shall apply with respect to such Reference Entity in accordance with the Physical Settlement Matrix as it applies to such Transaction Type, as though such Physical Settlement Matrix were set out in full in the Final Terms.

(c) Additional Provisions

If, in accordance with the specified Transaction Type or otherwise, any Additional Provisions are applicable, these Credit Security Conditions shall take effect subject to the provisions thereof.

(d) Linear Basket Credit Securities

If the Credit Securities are Linear Basket Credit Securities, then the provisions of these Credit Security Conditions relating to redemption or settlement of Credit Securities following satisfaction of Conditions to Settlement, extension of maturity of Credit Securities on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date shall apply separately with respect to each Reference Entity and a portion of each Credit Security corresponding to the Reference Entity Notional Amount divided by the number of Credit Securities then in issue. The remaining provisions of these Credit Security Conditions shall be construed accordingly.

2. Redemption

(a) Redemption or Expiration absent Satisfaction of Conditions to Settlement

The Issuer will redeem each Credit Security (in the case of Notes or Certificates) on the related Credit Security Settlement Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to (in the case of Certificates) the Cash Settlement Amount or (in the case of Notes) the outstanding principal amount of such Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

(a) the Credit Securities have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Security Conditions 2(b), 2(c) or (d)); or

(b) the Conditions to Settlement have been satisfied, in which event the Issuer shall redeem the Credit Securities in accordance with Credit Security Condition 2(b).

Each Credit Warrant will become void on the related Credit Security Settlement Date (as such date may be extended in accordance with the definition thereof) unless:

(c) the Credit Warrants have been previously settled or purchased and cancelled in full (including pursuant to Credit Security Conditions 2(b), 2(c) or (d)); or

(d) the Conditions to Settlement have been satisfied, in which event the Credit Warrants shall be settled in accordance with Credit Security Condition 2(b).

(b) Redemption or Settlement following Satisfaction of Conditions to Settlement

Upon the satisfaction of the Conditions to Settlement in relation to any Reference Entity, then each Credit Note or Certificate (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) will be subject to redemption and each Credit Warrant (or, in the case of Linear Basket Credit Warrants, the relevant portion thereof) will be deemed to have been automatically exercised on the Event Determination Date and will be subject to settlement:

(a) if the applicable Settlement Method is Auction Settlement, by payment of its *pro rata* share (such amount to be apportioned *pro rata* amongst the outstanding (and in the case of Partly Paid Notes, paid-up) nominal amount or outstanding (and, in the case of Partly Paid Certificates, paid-up) notional amount of each Credit Security corresponding to the (in the case of Credit Notes) Calculation Amount or (in the case of Credit Certificates or Credit Warrants) Notional Amount) of the Auction Settlement Amount on the Auction Settlement Date, unless a Fallback Settlement Event occurs, in which event the Issuer shall perform its respective payment and/or delivery obligations in accordance with the applicable Fallback Settlement Method. If the Conditions to Settlement with respect to a new Credit Event are satisfied following the occurrence of a Fallback Settlement Event with respect to a first Credit Event and no Fallback Settlement Event occurs with respect to such new Credit Event, the Issuer shall, if it so elects on or prior to a related Valuation Date or Delivery Date, redeem or settle, as applicable, the Credit Securities in accordance with this Credit Security Condition 2(b)(a) by Auction Settlement;

(b) if the applicable Settlement Method is Physical Settlement in accordance with Credit Security Condition 4; and

(c) if the applicable Settlement Method is Cash Settlement, by payment of its *pro rata* share (such amount to be apportioned *pro rata* amongst the outstanding (and in the case of Partly Paid Notes, paid-up) nominal amount or outstanding (and, in the case of Partly Paid Certificates, paid-up) notional amount of each Credit Security corresponding to the (in the case of Credit Notes) Calculation Amount or (in the case of

Credit Certificates or Credit Warrants) Notional Amount) of the Credit Event Cash Settlement Amount on the Cash Settlement Date.

Where the Credit Securities are Nth-to-Default Credit Securities, the Conditions to Settlement shall not be satisfied with respect to the Credit Securities until the Conditions to Settlement are satisfied with respect to the Nth Reference Entity. Where the Credit Securities are Nth-to-Default Credit Securities and the Conditions to Settlement are satisfied with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine the order in which such Conditions to Settlement were satisfied.

(c) Redemption following a Merger Event

If this Credit Security Condition 2(c) is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, and (in the case of Credit Notes or Credit Certificates) redeem or (in the case of Credit Warrants) cancel all but not some only of the Credit Securities on the Merger Event Redemption Date, and if the Credit Securities are so redeemed or, as the case may be, cancelled, the Issuer shall pay an amount to each Holder in respect of each Credit Security, which amount shall be the fair market value of the Credit Security taking into account the Merger Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (including without limitation any Unwind Costs), all as determined by the Calculation Agent in a commercially reasonable manner.

(d) Additional Credit Linked Security Disruption Events

If the Calculation Agent determines that an Additional Credit Linked Security Disruption Event has occurred, the Issuer may redeem (or settle, as applicable) the Credit Securities by giving notice to Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable. If the Credit Securities are so redeemed (or settled, as applicable), the Issuer will pay an amount to each Holder in respect of each Credit Security equal to the fair market value of such Credit Security taking into account the Additional Credit Linked Security Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable.

(e) Suspension of Obligations

If a Credit Event Resolution Request Date occurs or if a notice is delivered to ISDA as contemplated in the definition of "Credit Event Resolution Request Date" in relation to any Reference Entity, then (unless the Issuer otherwise elects by notice to the Calculation Agent and the Holders) from the date delivery of such notice is effective (and notwithstanding that the relevant Credit Derivatives Determinations Committee has yet to determine whether Publicly Available Information is available or that a Credit Event has occurred):

(i) any obligation of the Issuer to redeem or settle any Credit Security (including pursuant to Credit Security Condition 2(b)) or pay any amount of interest which would otherwise be due thereon shall, insofar as it relates to the relevant Reference Entity; or

(ii) if the Final Terms specifies that "Calculation and Settlement Suspension" applies, any obligation of the Issuer to redeem or settle any Credit Security (including pursuant to Credit Security Condition 2(b)) insofar as it relates to the relevant Reference Entity, or pay any amount of interest which would otherwise be due thereon or any obligation of the Calculation Agent to calculate any amount of interest (in each case, regardless of whether any such interest relates to the relevant Reference Entity), shall,

be and remain suspended until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved with respect to such Reference Entity:

(a) the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date"; or

(b) not to determine such matters.

During such suspension period, the Issuer shall not be obliged to, nor entitled to, take any action in connection with the settlement of the Credit Securities, in each case insofar as they relate to the relevant Reference Entity, or in connection with the payment of any applicable interest on the Credit Securities, nor, if the Final Terms specifies that "Calculation and Settlement Suspension" applies, shall the Calculation Agent be obliged to take any action in connection with the calculation of any amount of interest (in each case, if the Final Terms specifies that "Calculation and Settlement Suspension" applies, regardless of whether any such interest relates to the relevant Reference Entity). Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved the matters set out in sub-paragraphs (a) and (b) above, such suspension shall terminate and any obligations so suspended shall resume on the basis of such Resolution on the Credit Security Business Day following such public announcement by ISDA, with the Issuer and, as the case may be, the Calculation Agent having the benefit of the full day notwithstanding when the suspension began. Any amount of interest so suspended shall, subject always to Credit Security Condition 3(a), become due on a date selected by the Calculation Agent falling not later than fifteen Business Days following such public announcement by ISDA.

For the avoidance of doubt, no interest shall accrue on any payment of interest or other amounts which are deferred in accordance with this Credit Security Condition 2(e).

(f) Miscellaneous provisions relating to Redemption or Settlement

If the Credit Securities are partially redeemed or settled, the relevant Credit Securities or, if the Credit Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such partial redemption or settlement. Upon such partial redemption or settlement, the outstanding notional amount or outstanding principal amount of each Credit Security shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption or settlement of any Credit Security in accordance with this Credit Security Condition 2, together with payment of interest, if any, due thereon shall discharge all or the relevant portion of the obligations of the Issuer in relation thereto.

Any amount payable under Credit Security Condition 2(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

3. Interest (Credit Notes and Certificates only)

(a) Cessation of Interest Accrual

Upon the occurrence of an Event Determination Date in respect of any Reference Entity, interest on such Credit Certificate or Note (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) shall cease to accrue with effect from and including either:

(a) the:

(i) Interest Payment Date; or

(ii) if so specified in the Final Terms, Interest Period End Date,

immediately preceding such Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date); or

(b) if so specified in the Final Terms, such Event Determination Date.

(b) Interest following Scheduled Maturity

Subject always to Credit Security Condition 2(a), if an Extension Notice has been given (other than pursuant to paragraph (d) of the definition of "Extension Notice"), each Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) which is outstanding following the Redemption Date or Maturity Date, as the case may be, shall continue to bear interest from (and including) the Redemption Date or Maturity Date, as the case may be, to (but excluding) the related Credit Security Settlement Date at a rate of interest equal to either:

(a) the rate that BNP Paribas would pay to an independent customer in respect of overnight deposits in the currency of the Credit Certificates; or

(b) such other rate as shall be specified for such purpose in the Final Terms.

For the avoidance of doubt, if an Extension Notice has been given pursuant to paragraph (d) of the definition thereof, no interest shall accrue from (and including) the Redemption Date or Maturity Date, as the case may be, to (but excluding) the related Credit Security Settlement Date.

(c) Interest Payment Dates

If the Credit Securities are redeemed pursuant to the W&C Security Conditions or the Note Conditions, as applicable, or these Credit Security Conditions, the Redemption Date, the Maturity Date, the Credit Security Settlement Date (if not the Redemption Date or Maturity Date, as the case may be), the Auction Settlement Date, the Cash Settlement Date or the last Delivery Date, as the case may be, shall be an Interest Payment Date in respect of each Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit Security (or, as applicable, the relevant portion thereof) on such Interest Payment Date.

4. Physical Settlement (Credit Notes and Certificates only)

(a) Delivery and payment

If Physical Settlement applies to any Credit Certificate or Credit Note, then, upon the satisfaction of the related Conditions to Settlement, the Issuer shall, on or prior to the related Physical Settlement Date and subject to Credit Security Conditions 4(b), 4(c) and 4(f), redeem such Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof), respectively, by:

(a) Delivering a *pro rata* share of the Deliverable Obligations specified in the related Notice of Physical Settlement; and

(b) paying such Security's *pro rata* portion of the related Physical Settlement Adjustment Rounding Amount.

(b) Partial Cash Settlement Due to Impossibility or Illegality

If, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to Deliver or, due to an event beyond the control of the Issuer or any Holder, it is impossible or illegal for the Issuer or the relevant Holder to accept Delivery of any of the Deliverable Obligations specified in a Notice of Physical Settlement on the related Physical Settlement Date, then on such date the Issuer shall Deliver any of the Deliverable Obligations specified in the Notice of Physical Settlement for which it is possible and legal to take Delivery. If any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the

Issuer shall pay the relevant Holders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant Holders on the Partial Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer does not Deliver any Deliverable Obligation specified in a Notice of Physical Settlement other than as a result of an event or circumstance contemplated in Credit Security Condition 4(b) above (including following the occurrence of a Hedge Disruption Event), such failure shall not constitute an Event of Default for the purpose of the Securities and the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Extended Physical Settlement Date.

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then Partial Cash Settlement shall apply with respect to such Deliverable Obligations and the Issuer shall pay to the Holders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the Holders on the Partial Cash Settlement Date.

(d) Aggregation and Rounding

Where a Holder holds Credit Notes or Certificates in an aggregate nominal amount outstanding (or, in the case of Partly Paid Notes, a paid-up aggregate nominal amount outstanding) or aggregate notional amount outstanding (or, in the case of Partly Paid Certificates, a paid-up aggregate notional amount outstanding) greater than the Specified Denomination or Notional Amount respectively, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit Security shall be aggregated for the purposes of this Credit Security Condition 4. If the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit Securities to be redeemed pursuant to this Credit Security Condition 4(d) on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the Outstanding Principal Balance of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, to zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by the Issuer or such other agent as may be appointed by the Issuer for such purpose and, if they are so sold, the Issuer shall make payment in respect of each Credit Security in an amount equal to its *pro rata* share of the related net sale proceeds as soon as reasonably practicable following receipt thereof.

(e) Delivery and Fees

The Delivery of any of the Deliverable Obligations pursuant to the provisions of this Credit Security Condition 4 shall be made in such manner as the Issuer shall determine, in a commercially reasonable manner, to be appropriate for such Delivery. Subject as set out in the definition of "Deliver":

(a) any recordation, processing or similar fee reasonably incurred by the Issuer and/or any of its Affiliates and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the relevant Holders, and if any Stamp Tax is payable in connection with the Delivery of any Deliverable Obligations, payment thereof shall be made by the relevant Holders; and

(b) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Holders or the Issuer, as appropriate, determined in accordance with then current market conventions.

Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Holders have been paid to the satisfaction of the Issuer.

(f) Expenses

A Holder will not be entitled to any of the amounts or assets specified as being due to it in this Credit Security Condition 4(f) upon the satisfaction of the Conditions to Settlement until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(g) Credit Warrants

Physical Settlement shall not apply in relation to any Credit Warrants.

5. Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics

(a) Obligation Characteristics

If the Obligation Characteristic "Listed" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category.

(b) Deliverable Obligation Category and Characteristics

If:

(i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category;

(ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category);

(iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category; and

(iv) any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified in the applicable Final Terms as Deliverable Obligation Characteristics or is applicable in respect of the applicable Transaction Type, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(c) Qualifying Guarantee

If an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

(i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.

(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

(iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms or if applicable in respect of the relevant Transaction Type.

(iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(vi) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in the Terms and Conditions, including without limitation, the definitions of "Credit Event Cash Settlement Amount" and "Quotation Amount"), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

(vii) For the avoidance of doubt the provisions of this Credit Security Condition 5 apply in respect of the definitions of "Obligation" and "Deliverable Obligation" as the context admits.

6. Succession Event

(a) Single Reference Entity

Where the Credit Securities are Single Reference Entity Credit Securities and a Succession Event has occurred and more than one Successor has been identified, each such Credit Security will be deemed for all purposes to have been divided into the same number of new Credit Securities as there are Successors with the following terms:

(i) each Successor will be a Reference Entity for the purposes of one of the deemed new Credit Securities;

(ii) in respect of each deemed new Credit Security, the Reference Entity Notional Amount will be the Reference Entity Notional Amount applicable to the original Reference Entity divided by the number of Successors; and

(iii) all other terms and conditions of the original Credit Securities will be replicated in each deemed new Credit Security except to the extent that modification is required, as determined by the Calculation

Agent, to preserve the economic effects of the original Credit Securities in the deemed new Credit Securities (considered in the aggregate).

(b) Nth-to-Default

Where the Credit Securities are Nth-to-Default Credit Securities:

(i) where a Succession Event has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) and more than one Successor has been identified, each such Credit Security will be deemed for all purposes to have been divided into a number of new Credit Securities equal to the number of Successors. Each such new Credit Security shall include a Successor and each and every one of the Reference Entities unaffected by such Succession Event and the provisions of Credit Security Condition 6(b)(i) to (iii) (inclusive) shall apply thereto;

(ii) if "Substitution" is specified as not being applicable in the Final Terms, where any Reference Entity (the "**Surviving Reference Entity**") (other than a Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Event, such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity; and

(iii) if "Substitution" is specified as being applicable in the Final Terms, where the Surviving Reference Entity (other than a Reference Entity that is subject to the Succession Event) would be a Successor to a Legacy Reference Entity pursuant to a Succession Event:

(A) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and

(B) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.

(c) Linear Basket

Where the Credit Securities are Linear Basket Credit Securities, and one or more Successors have been identified in respect of a Reference Entity that has been the subject of a related Succession Event (the "**Affected Entity**"):

(i) the Affected Entity will no longer be a Reference Entity (unless it is a Successor as described in (ii) above);

(ii) each Successor will be deemed a Reference Entity (in addition to each Reference Entity which is not an Affected Entity);

(iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity divided by the number of Successors;

(iv) the Calculation Agent may make any modifications to the terms of the Credit Securities which may be required to preserve the economic effects of the Credit Securities prior to the Succession Event (considered in the aggregate); and

(v) for the avoidance of doubt, a Reference Entity may, as a result of a Succession Event, be represented in the basket with respect to multiple Reference Entity Notional Amounts for the Successor(s) of such Reference Entity.

(d) Substitute Reference Obligations

Where:

(i) a Reference Obligation is specified in the applicable Final Terms;

(ii) one or more Successors to the Reference Entity have been identified; and

(iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation".

7. Provisions relating to LPN Reference Entities

The following provisions shall apply if the relevant Final Terms provide that "LPN Reference Entity" is applicable:

(a) Multiple Holder Obligation will not be applicable with respect to any Reference Obligation and any Underlying Loan;

(b) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Security Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;

(c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Credit Security Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;

(d) for the avoidance of doubt, with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Financial Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation; and

(e) the "Not Subordinated" Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

8. Restructuring Credit Event

(a) Multiple Credit Event Notices (Credit Notes and Certificates only)

Upon the occurrence of a Restructuring Credit Event with respect to a Reference Entity for which Restructuring is an applicable Credit Event and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the relevant Transaction Type:

(i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Exercise Amount**") provided that if the Credit Event Notice does not specify an Exercise Amount, the then outstanding Reference Entity Notional Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;

(ii) the provisions of these Credit Security Conditions shall be deemed to apply to an aggregate outstanding principal amount or aggregate outstanding notional amount equal to the Exercise Amount only and all the provisions shall be construed accordingly;

(iii) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the relevant Reference Entity Notional Amount (and not a portion thereof); and

(iv) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is denominated or any integral multiple thereof or the entire relevant Reference Entity Notional Amount.

In the case of an Nth-to-Default Credit Security, once the Conditions to Settlement have been satisfied in respect of the Nth Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity (save to the extent that the Credit Securities are deemed to have been divided into new Credit Securities pursuant to Credit Security Condition 6).

If any Credit Security is subject to partial settlement in accordance with this Credit Security Condition 8, the relevant Credit Security or, if the Credit Securities are represented by a Global Security, such Global Security shall be endorsed to reflect such partial settlement.

For the avoidance of doubt, this Credit Security Condition 8 shall not be applicable in respect of a Reference Entity for which Restructuring is an applicable Credit Event and neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the relevant Transaction Type.

This Credit Security Condition 8(a) shall not apply in relation to any Credit Warrants.

(b) Restructuring Maturity Limitation and Fully Transferable Obligation

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in a Notice of Physical Settlement, any NOPS Amendment Notice or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio only if it:

(i) is a Fully Transferable Obligation; and

(ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

(c) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in the Notice of Physical Settlement, any NOPS Amendment Notice or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio, only if it:

(i) is a Conditionally Transferable Obligation; and

(ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation is refused (whether or not a reason is given for such refusal and, where a reason is given

for such refusal, regardless of that reason) or is not received by the Physical Settlement Date, the Issuer shall, as soon as reasonably practicable, notify the relevant Holders of such refusal (or deemed refusal) and:

(iii) each such Holder may designate a third party (which may or may not be an Affiliate of such Holder) to take Delivery of the Deliverable Obligation on its behalf; and

(iv) if a Holder does not designate a third party that takes Delivery on or prior to the date which is three Credit Security Business Days after the Physical Settlement Date, then the Issuer will redeem the Credit Securities which have not been Delivered by payment of the relevant Partial Cash Settlement Amount to such Holder. For the avoidance of doubt Credit Security Condition 4(b) will not apply to this paragraph.

(d) Multiple Holder Obligations

Notwithstanding anything to the contrary in the definition of "Restructuring" and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraph (a)(i) to (a)(v) (inclusive) thereof shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, provided that any obligation that is a Bond shall be deemed to satisfy the requirements of sub-paragraph (b) of the definition of "Multiple Holder Obligation".

9. Miscellaneous Provisions relating to Credit Securities

(a) Determinations of the Calculation Agent

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Credit Security Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the Holders. Unless otherwise expressly stated, the Calculation Agent is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor (if applicable) shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

If, where the Calculation Agent has relied upon a DC Resolution for the purposes of making a calculation or determination with respect to the Credit Securities, ISDA publicly announces that such DC Resolution has been reversed by a subsequent DC Resolution, such reversal will be taken into account for the purposes of any subsequent calculations, provided that the ISDA public announcement occurs prior to the DC Resolution Reversal Cut-off Date (or where redeemed or settled in part, to the extent of any such redemption or settlement). The Calculation Agent, acting in a commercially reasonable manner, will make any adjustment to any future payments as are required to take account of such reversal, including any payment of additional interest or any reduction in any interest or any other amount payable under the Credit Securities. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

(b) Change in Standard Terms and Market Conventions

The Calculation Agent, acting reasonably, may (but shall not be obligated to) modify these Credit Security Conditions from time to time with effect from a date designated by the Calculation Agent to the extent reasonably necessary to ensure consistency with prevailing market standards or market trading conventions, which are,

pursuant to the agreement of leading dealers in the credit derivatives market or any relevant ISDA committee, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system, applicable to any Notional Credit Derivative Transaction or Hedge Transaction entered into prior to such date or terms thereof. The Calculation Agent shall notify the Issuer and the Holders as soon as reasonably practicable upon making any such determination. For the avoidance of doubt, the Calculation Agent may not, without the consent of the Issuer and the Trustee, amend, pursuant to this Credit Security Condition 9(b) any of the terms and conditions of the Credit Securities other than the Credit Security Conditions.

In particular, the Calculation Agent may make such modifications as may be necessary to ensure consistency with any successor provisions which are published by ISDA and which supersede the 2003 ISDA Credit Derivatives Definitions and/or the 2003 ISDA Credit Derivatives Definitions as supplemented by the July 2009 Supplement ("**Successor Provisions**") for the purposes of credit derivatives transactions generally (including with respect to transactions which are entered into prior to the relevant date of publication and which are outstanding as of that date) and/or may apply and rely on determinations of the Credit Derivatives Determinations Committee made in respect of a relevant Reference Entity under any such Successor Provisions notwithstanding any discrepancy between the terms of such Successor Provisions and these Credit Security Conditions.

This Credit Security Condition 9(c) shall apply unless the related Final Terms specifies that "Change in Standard Terms and Market Conventions" is not applicable.

(c) Delivery of Notices

As soon as reasonably practicable after receiving a Credit Event Notice or Notice of Publicly Available Information from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable. Resolutions of the Credit Derivatives Determinations Committee are, as of the date hereof, available on ISDA's website (www.isda.org/credit).

(d) Effectiveness of Notices

Any notice referred to in Credit Security Condition 9(c) above which is delivered on or prior to 5. 00 p.m. (London time) on a London Business Day is effective on such date and if delivered after such time or on a day that is not a London Business Day, is deemed effective on the next following London Business Day.

(e) Excess Amounts

If, on a Business Day, the Calculation Agent reasonably determines that an Excess Amount has been paid to Holders on or prior to such day, then following notification of the determination of an Excess Amount to the Issuer and Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, the Issuer may deduct any such Excess Amount from future payments in relation to the Credit Securities (whether interest or principal) or may reduce the amount of any assets deliverable under the terms of the Credit Securities to the extent that it determines, acting reasonably, to be necessary to compensate for such Excess Amount.

10. Definitions

In these Credit Security Conditions:

"**Accelerated or Matured**" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on, or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

"**Accreted Amount**" means, with respect to an Accreting Obligation, an amount equal to:

(a) the sum of:

(i) the original issue price of such obligation; and

(ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below); less

(b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of:

(A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal; and

(B) the Delivery Date or applicable Valuation Date, as the case may be.

Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable in the relevant Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of:

(x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal; and

(y) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of a Convertible Obligation or an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is convertible or exchangeable.

"**Accreting Obligation**" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation) the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not:

(a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index; or

(b) periodic cash interest is also payable.

"**Additional Credit Linked Security Disruption Event**" means any of Change in Law, Hedging Disruption, and/or Increased Cost of Hedging, in each case if specified as applying in the applicable Final Terms.

"**Additional LPN**" means any LPN issued by an LPN Issuer for the sole purpose of providing funds for the LPN Issuer to provide financing to the Reference Entity via an:

(a) Underlying Loan; or

(b) Underlying Finance Instrument:

provided that:

(i) either:

(i) in the event that there is an Underlying Loan with respect to such LPN, the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or

(ii) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics;

(ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Specified Currencies – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and

(iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available at http://www.markit.com/marketing/services.php.

"**Additional Provisions**" means any additional provisions from time to time published by ISDA for use in the over the counter credit derivatives market and specified as applicable in relation to a Reference Entity which may include:

(a) the Additional Provisions for Physically Settled Default Swaps - Monoline Insurer as Reference Entity, as published by ISDA on 21 January 2005; or

(b) any other provisions specified in relation to such Reference Entity.

"**Affected Entity**" has the meaning given to such term in Credit Security Condition 6(d) above.

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans.

"**Auction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms or the Parallel Auction Settlement Terms identified by the Issuer in the Auction Settlement Amount Notice.

"**Auction Final Price Determination Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Settlement Amount**" means, in relation to any Reference Entity, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

(a) in respect of Credit Notes and Certificates:

Auction Settlement Amount = Max [0, Min (A, [(A x B) – C])]

(b) in respect of Credit Warrants:

Auction Settlement Amount = Max (0, Min [A, ([A x (100% - B)] – C)])

Where:

"**A**" means (in the case of Credit Notes) the Calculation Amount or (in the case of Credit Certificates and Credit Warrants) the Notional Amount;

"**B**" means the relevant Auction Final Price; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero).

"**Auction Settlement Amount Notice**" means a notice given by the Issuer to the Calculation Agent and the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable, on or prior to the date which is 65 Business Days following the Final List Publication Date specifying:

(a) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Issuer has elected to apply to the Credit Securities (provided that the Issuer may only elect to apply any Parallel Auction Settlement Terms (for purposes of which (i) in the case of Notes or Certificates, all Deliverable Obligations (as defined in respect of the Final List) on the Final List will be Permissible Deliverable Obligations, or (ii) in the case of Credit Warrants, the Permissible Deliverable Obligations are more limited than the Permissible Deliverable Obligations under the Transaction Auction Settlement Terms) in the circumstances set out in sub-paragraph (b) of the definition of "No Auction Announcement Date"); and

(b) the Auction Settlement Amount.

"**Auction Settlement Date**" means:

(a) the date that is three Business Days following delivery by the Issuer of the Auction Settlement Amount Notice to the Calculation Agent and the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable; or

(b) if "Settlement Deferral" is specified as applicable, if later, (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date. For the avoidance of doubt, this shall be without prejudice to Credit Security Condition 3(a) (Cessation of Interest Accrual).

"**Bankruptcy**" means a Reference Entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) (inclusive) above.

"**Best Available Information**" means:

(a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent or the Credit Derivatives Determinations Committee makes its determination for the purposes of the definition of "Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

(b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent or the Credit Derivatives Determinations Committee to allow it to make a determination for the purposes of the definition of "Successor",

provided that information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute "Best Available Information".

"**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation.

"**Bond or Loan**" means any obligation that is either a Bond or a Loan.

"**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

"**Capped Reference Entity**" means, unless otherwise specified in the Final Terms, a Reference Entity having a specified Transaction Type in respect of which "60 Business Day Cap on Settlement" is expressed as applying in the Physical Settlement Matrix.

"**Cash Settlement Date**" means:

(a) the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not specified, three Business Days) immediately following the determination of the Weighted Average Final Price; or

(b) if "Settlement Deferral" is specified as applicable, if later, (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date. For the avoidance of doubt, this shall be without prejudice to Credit Security Condition 3(a) (Cessation of Interest Accrual).

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency, regulatory or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines that:

(a) it is unable to perform its obligations in respect of the Credit Securities or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Credit Securities; or

(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Credit Securities in issue or in holding, acquiring or disposing of any relevant hedge positions of the Credit Securities.

"**Conditionally Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of "Conditionally Transferable Obligation", such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor (if applicable).

"**Conditions to Settlement**" means, in relation to any Reference Entity:

(a) the occurrence of an Event Determination Date; and

(b) where the applicable Settlement Method is Physical Settlement (or Physical Settlement is applicable as the Fallback Settlement Method), the delivery of the Notice of Physical Settlement on or following the occurrence of an Event Determination Date,

to the extent that, such Event Determination Date is not subsequently reversed as publicly announced by ISDA prior to the DC Resolution Reversal Cut-off Date.

"**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans.

"**Convertible Obligation**" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"**Credit Derivatives Auction Settlement Terms**" means, in relation to any Reference Entity, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, with respect to the relevant Reference Entity, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as may be amended from time to time in accordance with the Rules.

"**Credit Certificates**" means Certificates linked to the credit of a specified entity or entities.

"**Credit Derivatives Definitions**" means the 2003 ISDA Credit Derivatives Definitions, as published by ISDA, as supplemented by the July 2009 Supplement and, in addition, if Additional Provisions are specified to be applicable with respect to the Credit Securities in the Final Terms, as supplemented by the Additional Provisions.

"**Credit Derivatives Determinations Committee**" means each committee established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over-the-counter market, as more fully described in the Rules.

"**Credit Event**" means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring or Additional Credit Event as specified with respect to a Reference Entity.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**Credit Event Backstop Date**" means, in respect of:

(a) Credit Notes or Certificates, the date that is 60 calendar days prior to the Trade Date or, if so specified in the Final Terms, the Issue Date or such other date specified in the Final Terms; or

(b) Credit Warrants, (i) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition thereof), the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or (ii) otherwise, the date that is 60 calendar days prior to the earlier of (A) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during the Notice Delivery Period; and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Event Notice**" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email and/or by telephone) to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, provided that where an Event Determination Date has occurred pursuant to sub-paragraph (b) of the definition thereof, a reference to the relevant DC Credit Event Announcement shall suffice.

The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"**Credit Event Resolution Request Date**" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in sub-paragraphs (a) and (b) above.

"**Credit Event Cash Settlement Amount**" means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

(a) in respect of Credit Notes and Certificates:

Credit Event Cash Settlement Amount = Max [0, Min (A, [(A x B) – C])]

(b) in respect of Credit Warrants:

Credit Event Cash Settlement Amount = Max (0, Min [A, ([A x (100% - B)] – C)])

Where:

"**A**" means (in the case of Credit Notes) the Calculation Amount or (in the case of Credit Certificates and Credit Warrants) the Notional Amount;

"**B**" means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero),

provided that in no event shall the Credit Event Cash Settlement Amount be less than zero.

"**Credit Notes**" means Notes linked to the credit of a specified entity or entities.

"**Credit Securities**" means Credit Notes, Credit Certificates and/or Credit Warrants.

"**Credit Security Business Day**" means, in respect of any Reference Entity, a day on which commercial banking and foreign exchange markets are generally open to settle payments in the place or places specified for that purpose with respect to such Reference Entity, a TARGET Settlement Day (if "TARGET Settlement Day" is specified for that purpose, or, if a place or places are not so specified, a day on which commercial banks and foreign exchange markets are generally open to settlement payments in the jurisdiction of the currency of the related Reference Entity Notional Amount). Business Days referenced in the Physical Settlement Matrix shall be deemed to be Credit Security Business Days.

"**Credit Security Dealer**" means a dealer in obligations of the type of Obligation(s) (as the case may be) for which quotations are to be obtained (as selected by the Calculation Agent) and may include the Calculation Agent or its Affiliate and a Holder or its Affiliate or as may otherwise be specified in the Final Terms.

"**Credit Security Settlement Date**" means either:

(a) (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date; or

(b) where an Extension Notice in relation to a Reference Entity is delivered by the Calculation Agent to the Issuer at or prior to 11:00 a.m. (London time) on the date falling two London Business Days prior to (in the case of Credit Notes) the Maturity Date, (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Warrants) the Expiration Date, either:

(i) the date falling two Business Days after the expiry of the Notice Delivery Period (or, if later, after the latest date on which it would be possible for the Calculation Agent or the Issuer to deliver a Credit Event Notice under paragraph (b)(iv) of the definition of "Event Determination Date"); or

(ii) if a Credit Event Resolution Request Date has occurred on or prior to the expiry of the Notice Delivery Period in relation to a Reference Entity, the date falling 15 Business Days following any date on which the Credit Derivatives Determinations Committee Resolves that the relevant event does not constitute a Credit Event, or Resolves not to make such determination.

"**Credit Warrants**" means Warrants linked to the credit of a specified entity or entities.

"**Currency Amount**" means with respect to:

(a) a Deliverable Obligation specified in a Notice of Physical Settlement or a selected Valuation Obligation that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and

(b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the relevant Reference Entity Notional Amount into the currency of denomination of the relevant Replacement Deliverable Obligation.

"**Currency Rate**" means with respect to:

(a) a Deliverable Obligation specified in the Notice of Physical Settlement or a selected Valuation Obligation, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either:

(i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time; or

(ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner after consultation with the parties; and

(b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate.

"**Currency Rate Source**" means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"**DC Credit Event Announcement**" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that:

(a) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof); and

(b) such event occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A DC Credit Event Announcement will be deemed not to have occurred unless:

(i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of (in the case of Credit Notes or Certificates) the last day of the Notice Delivery Period or (in the case of Credit Warrants) the 14th calendar day after the Extension Date (including prior to the Trade Date, if specified in the Final Terms and if not, including prior to the Issue Date); and

(ii) the Trade Date occurs on or prior to (in the case of Credit Notes or Certificates) the Exercise Cut-off Date or (in the case of Credit Warrants) the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

"**DC No Credit Event Announcement**" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

"**DC Resolution**" has the meaning given to that term in the Rules.

"**DC Resolution Reversal Cut-off Date**" means the earliest to occur of the Auction Final Price Determination Date, a Valuation Date, a Delivery Date, Physical Settlement Date, the Credit Security Settlement Date or other redemption or settlement date of the Credit Securities or the date on which instructions are given by or on behalf of the Issuer for any such redemption or settlement or any date, as determined by the Calculation Agent acting in a commercially reasonable manner, of termination, settlement, replacement or re-establishment in whole or in part of any Hedge Transaction (or entry into a binding commitment in respect of any of the foregoing) by or on behalf of the Issuer and/or any of its Affiliates (following the occurrence of an Event Determination Date or in reliance on a prior DC Resolution), as applicable.

"**Default Requirement**" means the amount as may be specified as such in the Final Terms or, if a Transaction Type is specified, the amount specified as such in the Physical Settlement Matrix or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not so specified in the Final Terms, U.S.$ 10,000,000, or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event.

"**Deliver**" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, to the Issuer or the Holders, as the case may be, free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence as set out in the definition of "Credit Event") or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that to the extent that the Deliverable Obligations consist of Direct Loan Participations, "**Deliver**" means to create (or

procure the creation of) a participation in favour of the Issuer or the Holders, as the case may be, and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "Deliver" means to Deliver both the Qualifying Guarantee and the Underlying Obligation. "**Delivery**" and "**Delivered**" will be construed accordingly.

In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time. Notwithstanding the previous sentence, in the case of a Loan, the Issuer and each Holder agrees to comply, for the purposes of the settlement of the Credit Securities with the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. The Issuer agrees, and each Holder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Holder shall be permitted to request that any party take nor shall the Issuer or any Holder be required to take, any action or make any payment in connection with such Delivery, as applicable, unless otherwise contemplated by such documentation.

"**Deliverable Obligation**" means, subject to Credit Security Conditions 8(a), (b) and (c):

(a))each obligation of a Reference Entity (either directly, or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable with respect thereto, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category, and, subject to Credit Security Condition 5, having each of the Deliverable Obligation Characteristics, if any, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that:

(i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;

(ii) is not subject to any counterclaim, defence (other than as set out in the definition of "Credit Event") or right of set-off by or of a Reference Entity or any applicable Underlying Obligor; and

(iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(b) subject to the last paragraph of the definition of "Not Contingent", each Reference Obligation, unless specified in the Final Terms as an Excluded Deliverable Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that:

(i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;

(ii) is not subject to any counterclaim, defence (other than as set out in the definition of "Credit Event") or right of set-off by or of a Reference Entity or any applicable Underlying Obligor; and

(iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, as at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any other obligation of a Reference Entity specified as such in the Final Terms.

"**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan as specified in relation to a Reference Entity. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only.

"**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

"**Deliverable Obligation Provisions**" in relation to any Reference Entity, has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

"**Deliverable Obligation Terms**" in relation to any Reference Entity, has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Delivery Date**" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

"**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Holder that provides each Holder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Holder and either:

(a) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or member of the relevant lending syndicate), or

(b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

"**Domestic Currency**" means the currency specified as such in relation to a Reference Entity and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of:

(a) the relevant Reference Entity, if the Reference Entity is a Sovereign; or

(b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign.

In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

"**Downstream Affiliate**" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

"**Due and Payable Amount**" means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

"**Eligible Transferee**" means each of the following:

(a) each of:

(i) any bank or other financial institution;

(ii) an insurance or reinsurance company;

(iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) above); and

(iv) a registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least U.S.$ 500 million;

(b) an Affiliate of an entity specified in (a) above;

(c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

(i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that:

(A) has total assets of at least U.S.$ 100 million; or

(B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.$ 100 million; or

(ii) that has total assets of at least U.S.$ 500 million; or

(iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in paragraphs (a), (b), (c)(ii) or (d) hereof; and

(d) a Sovereign, Sovereign Agency or Supranational Organisation,

and where references in this definition to U.S.$ include equivalent amounts in other currencies.

"**Enabling Obligation**" means, in respect of a Reference Entity, an outstanding Deliverable Obligation that:

(a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable; and

(b) a final maturity date occurring on or prior to the Relevant Date and following the Limitation Date immediately preceding the Relevant Date (or, in circumstances where the Relevant Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

"**Equity Securities**" means:

(a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and

(b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"**Escrow**" means, if Escrow is specified in relation to a Reference Entity as applicable, either the Issuer or any Holder may require that physical settlement take place through the use of an Escrow Agent (in the case of any such request by a Holder, solely in relation to the Securities held by such Holder). Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the relevant Holder.

"**Escrow Agent**" means an independent third party financial institution specified by the Issuer prior to the Physical Settlement Date, subject to the terms of the escrow arrangement.

"**Event Determination Date**" means, in respect of any Credit Event:

(a) subject to sub-paragraph (b) above, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during:

(i) the Notice Delivery Period; or

(ii) the period from, and including, the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" to and including, the date that is 15 Business Days (or, in the case of Credit Warrants, 14 calendar days) thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date, if specified in the Final Terms and if not, including prior to the Issue Date); or

(b) save in respect of Credit Warrants and a Restructuring Credit Event and notwithstanding sub-paragraph (a) above, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date, provided that:

(i) no Physical Settlement Date or Cash Settlement Date (as applicable) has occurred on or prior to the date on which the DC Credit Event Announcement occurs;

(ii) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Reference Entity Notional Amount, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred;

(iii) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer:

(i) unless the Restructuring stated in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date; or

(ii) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the then outstanding Reference Entity Notional Amount; and

(iv) if the Credit Event that is the subject of the DC Credit Event Announcement is a Restructuring, the Calculation Agent has delivered a Credit Event Notice to the Issuer on or prior to the Exercise Cut-off Date.

No Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, a DC No Credit Event Announcement occurs with respect to the event that, but for such DC No Credit Event Announcement, would have constituted a Credit Event prior to the DC Resolution Reversal Cut-off Date.

In respect of Credit Warrants and a Restructuring Credit Event, the Calculation Agent will deliver a Credit Event Notice as soon as reasonably practicable after a DC Credit Event Announcement only if it determines that an Auction has been held or will be held in respect of Deliverable Obligations which are eligible as Valuation Obligations under the terms of the Credit Warrants. An Event Determination Date will occur in such case on the date on which such Credit Event Notice is delivered by the Calculation Agent to the Issuer, and a Notice of Publicly Available Information shall not be required.

"**Excess Amount**" means any amount paid to the Holders but which was not due on the Credit Securities, as a result of the occurrence of a DC Credit Event Announcement or a Credit Event Resolution Request Date on or around the date on which the amount in question would otherwise have been required to be paid.

"**Exchangeable Obligation**" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"**Excluded Deliverable Obligation**" means any obligation of a Reference Entity specified as such or of a type described as such in relation thereto.

"**Excluded Obligation**" means any obligation of a Reference Entity specified as such or of a type described as such in relation thereto.

"**Exercise Amount**" has the meaning given to it in Credit Security Condition 8(a)(i).

"**Exercise Cut-off Date**" means the date that is the later of:

(a) 65 Business Days following the Final List Publication Date;

(b) 15 Credit Security Business Days following the Auction Final Price Determination Date, if any;

(c) 15 Credit Security Business Days following the Auction Cancellation Date, if any; or

(d) the date that is 15 Credit Security Business Days following the No Auction Announcement Date, if any.

"**Expiration Date**" means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the applicable Final Terms.

"**Extended Physical Settlement Date**" means:

(a) in the case of a Capped Reference Entity, the 60th Credit Security Business Day following the Physical Settlement Date, provided that if, under the terms of a Hedge Transaction, the Original Bonds and Original Loans, may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling three Credit Security Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten Credit Security Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, such date may be further extended to a date falling up to three Credit Security Business Days or ten Credit Security Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may select; and

(b) in the case of a Non-Capped Reference Entity, such date as the Calculation Agent may select, provided that such date falls no later than the 120th Credit Security Business Day following the Physical Settlement Date or, in the absence of such selection, such 120th Credit Security Business Day.

"**Extension Date**" means the latest of:

(a) (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date;

(b) the Grace Period Extension Date if:

(i) Failure to Pay is an applicable Credit Event in relation to any Reference Entity;

(ii) Grace Period Extension is specified as applicable in relation to such Reference Entity; and

(iii) an Extension Notice is delivered under sub-paragraph (b) of the definition thereof;

(c) the Repudiation/Moratorium Evaluation Date if:

(i) Repudiation/Moratorium is an applicable Credit Event in relation to any Reference Entity; and

(ii) an Extension Notice is delivered under sub-paragraph (c) of the definition thereof.

"**Extension Notice**" means a notice delivered by the Calculation Agent to the Issuer giving notice of the following in relation to a Reference Entity:

(a) without prejudice to sub-paragraphs (b), (c) or (d) above, that a Credit Event has occurred or may occur on or prior to (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date; or

(b) that a Potential Failure to Pay has occurred or may occur on or prior to (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of

the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(d) that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

"**Failure to Pay**" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

"**Fallback Settlement Event**" means:

(a) an Auction Cancellation Date occurs;

(b) a No Auction Announcement Date occurs (and in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms on or prior to the date that is 65 Business Days following the Final List Publication Date or such earlier date as the Issuer may designate by notice to the Calculation Agent and the Holders in accordance with W&C Security Condition 10 or Note Condition 16 as applicable);

(c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event for the purposes of credit derivatives transactions for such Reference Entity in the over-the-counter market (including any Hedge Transaction);

(d) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that the relevant event that has occurred constitutes a Restructuring for the purposes of credit derivatives transactions for such Reference Entity in the over-the-counter market (including any Hedge Transaction) and that no Auction will be held with respect to such Reference Entity and Restructuring Credit Event; or

(e) an Event Determination Date has occurred pursuant to sub-paragraph (a) of the definition of "Event Determination Date", and no Credit Event Request Resolution Date has occurred within two Business Days of such Event Determination Date.

"**Fallback Settlement Method**" means Cash Settlement or Physical Settlement, as specified in the Final Terms.

"**Final List**" has the meaning given to that term in the Rules.

"**Final List Publication Date**" means, in respect of a Credit Event, the date on which the last Final List in respect of such Credit Event is published by ISDA.

"**Final Price**" means the price of the Reference Obligation or, as applicable, any Valuation Obligation, Deliverable Obligation or Undeliverable Obligation, expressed as a percentage determined in accordance with (in the case of Credit Notes or Certificates) the highest Quotation or (in the case of Credit Warrants) the lowest

Quotation obtained by the Calculation Agent (or otherwise in accordance with the definition of "Quotation") with respect to the Relevant Valuation Date.

If "Zero Recovery" is specified as applicable in the Final Terms, the Final Price shall be zero.

"**First Ranking Interest**" means an Interest which is expressed as being "first ranking", "first priority", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

"**Full Quotation**" means, in accordance with (in the case of Credit Notes or Certificates) the bid quotations or (in the case of Credit Warrants) the offer quotations provided by the Credit Security Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a Credit Security Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or, as the case may be, Undeliverable Obligations with an Outstanding Principal Balance equal to the Quotation Amount.

"**Fully Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Fully Transferable Obligation". For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of "Fully Transferable Obligation", such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor (as applicable).

"**Governmental Authority**" means any de facto or de jure government (or any agency, instrumentality, ministry or department 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 a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

"**Grace Period**" means:

(a) subject to sub-paragraphs (b) and (c), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if Grace Period Extension is applicable in relation to the relevant Reference Entity, a Potential Failure to Pay has occurred on or prior to (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, thirty calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified in relation to the relevant Reference Entity in the Final Terms, such deemed Grace Period shall expire no later than (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date.

"**Grace Period Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

"**Grace Period Extension** Date" means, if:

(a) Grace Period Extension is specified as applicable in relation to a Reference Entity in the Final Terms as applicable, pursuant to the relevant Transaction Type; and

(b) a Potential Failure to Pay occurs on or prior to (in the case of Credit Notes) the Maturity Date, (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Warrants) the Expiration Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)),

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

"**Hedge Disruption Event**" means the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction.

"**Hedge Transaction**" means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Credit Securities.

"**Hedging Disruption**" means that the Issuer, the Guarantor, if applicable, and/or any of their respective Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge its exposure with respect to the Credit Securities, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Credit Securities.

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Credit Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor, (if applicable) and/or any of their respective Affiliates shall not be deemed an Increased Cost of Hedging.

"**Indicative Quotation**" shall mean each bid quotation obtained from a Credit Security Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation equal to the Quotation Amount, which reflects such Credit Security Dealer's reasonable assessment of the price of such Undeliverable

Obligation based on such factors as such Credit Security Dealer may consider relevant, which may include historical prices and recovery rates.

"**Interest**" means, for the purposes of the definition of "First Ranking Interest", a charge, security interest or other type of interest having similar effect.

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

"**July 2009 Supplement**" means the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on 14 July 2009.

"**Latest Maturity Restructured Bond or Loan**" means, in respect of a Reference Entity and a Credit Event that is a Restructuring, the Restructured Bond or Loan with the latest final maturity date.

"**Latest Permissible Physical Settlement Date**" means, in respect of partial cash settlement due to a Potential Cash Settlement Event, 30 calendar days following the Physical Settlement Date and, in respect of Partial Cash Settlement (as specified in the Final Terms) in respect of a Deliverable Obligation comprised of Loans, the date that is 15 Credit Security Business Days after the Physical Settlement Date.

"**Legacy Reference Entity**" has the meaning given to such term in Credit Security Condition 6(c)(ii) above.

"**Limitation Date**" means, in respect of a Credit Event that is a Restructuring, the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years (the "**5-year Limitation Date**"), 7.5 years, 10 years, 12.5 years, 15 years or 20 years (the "**20-year Limitation Date**"), as applicable. Limitation Dates shall not be subject to adjustment.

"**Linear Basket Credit Certificate**" means Credit Certificates where the Issuer purchases credit protection from the Holders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Linear Basket Credit Notes**" means Credit Notes where the Issuer purchases credit protection from the Holders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Linear Basket Credit Securities**" means Linear Basket Credit Certificates, Linear Basket Credit Notes and/or Linear Basket Credit Warrants, as the case may be.

"**Linear Basket Credit Warrant**" means Credit Warrants where the Issuer sells credit protection to the Holders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Linear Basket Credit Warrant**" means Credit Warrants where the Issuer sells credit protection to the Holders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listed Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"**Loan**" means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

"**London Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

"**LPN**" means any bond issued in the form of a loan participation note.

"**LPN Issuer**" means the entity which issued the relevant LPN.

"**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation which is issued for the sole purpose of providing funds to the LPN Issuer to finance an Underlying Loan. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation.

"**Maximum Maturity**" means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than:

(a) the period specified in relation to a Reference Entity; or

(b) if no such period is so specified, 30 years.

"**Merger Event**" means that at any time during the period from (and including) the Trade Date to (but excluding) (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date, the Issuer, the Guarantor (if applicable) or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity, the Issuer or the Guarantor as applicable, or (if applicable) the Guarantor and a Reference Entity or the Issuer and a Reference Entity become affiliates.

"**Merger Event Redemption Date**" means the date specified as such in the applicable Final Terms.

"**Minimum Quotation Amount**" means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of:

(a) U.S.$ 1,000,000 (or its equivalent in the relevant Obligation Currency); and

(b) the Quotation Amount.

"**Modified Eligible Transferee**" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

"**Modified Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Relevant Date, provided that, in circumstances where the Relevant Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. With respect to a Reference Entity for which Restructuring is an applicable Credit Event and for which "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type and for which the Relevant Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Relevant Date is either:

(a) on or prior to the 2.5-year Limitation Date; or

(b) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Relevant Date is later than:

(i) the 2.5-year Limitation Date and no Enabling Obligation exists; or

(ii) the 20-year Limitation Date,

the Modified Restructuring Maturity Limitation Date will be the Relevant Date.

"**Multiple Holder Obligation**" means an Obligation that:

(a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other; and

(b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above.

"**N**" or "**Nth**" means, where the relevant Final Terms specify that "Nth-to-Default Credit Security" is applicable, such number as may be specified in such Final Terms.

"**Next Currency Fixing Time**" means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPs Amendment Notice, as applicable, is effective or, as applicable, the date of selection of Valuation Obligations.

"**No Auction Announcement Date**" means, with respect to any Reference Entity, the date on which ISDA announces that:

(a) no Transaction Auction Settlement Terms and, if applicable, Parallel Auction Settlement Terms will be published with respect to credit derivative transactions in the over-the-counter market and the relevant Credit Event and Reference Entity;

(b) following the occurrence of a Credit Event which is a Restructuring in respect of such Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or

(c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to such Reference Entity and Credit Event for which any Hedge Transaction is an Auction Covered Transaction following a prior public announcement by ISDA to the contrary.

"**Non-Capped Reference Entity**" means a Reference Entity which is not a Capped Reference Entity.

"**NOPS Amendment Notice**" means a notice from the Issuer to the Calculation Agent notifying it, that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation

has not been Delivered as of the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof.

"**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"**Not Contingent**" means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right:

(a) to convert or exchange such obligation; or

(b) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities),

has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in (a) and (b) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

"**Not Domestic Currency**" means any obligation that is payable in any currency other than the Domestic Currency.

"**Not Domestic Issuance**" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

"**Not Domestic Law**" means any obligation that is not governed by the laws of:

(a) the relevant Reference Entity, if such Reference Entity is a Sovereign; or

(b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign.

"**Not Sovereign Lender**" means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

"**Not Subordinated**" means an obligation that is not Subordinated to:

(a) the most senior Reference Obligation in priority of payment; or

(b) if no Reference Obligation is specified in the Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity,

provided that, if any of the events set forth under sub-paragraph (a) of the definition of "Substitute Reference Obligation" have occurred with respect to all of the Reference Obligations or if the last paragraph of the definition of "Successor" applies with respect to the Reference Obligation (each, in each case, a "**Prior Reference Obligation**") and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment.

For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such date.

"**Notice Delivery Period**" means the period from and including the Trade Date to and including the date 15 Credit Security Business Days (or such other number of days as may be specified in the Final Terms) after the Extension Date (or, if the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified (or deemed specified) in the Final Terms, the later of:

(a) such date; and

(b) the date that is 65 Business Days following the Final List Publication Date).

"**Notice of Physical Settlement**" means a notice delivered by the Calculation Agent on behalf of the Issuer (with a copy to the Issuer), to the Holders on or prior to the later of:

(a) 65 Credit Security Business Days following the Final List Publication Date;

(b) subject to sub-paragraph (c) below, 25 Credit Security Business Days after the last to occur of the Auction Cancellation Date, the No Auction Announcement Date, the last Parallel Auction Cancellation Date and the last Parallel Auction Final Price Determination Date (in each case if any and if applicable); and

(c) in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms to the Calculation Agent by the Restructuring Exercise Date, 5 Credit Security Business Days following such Restructuring Exercise Date,

that:

(i) irrevocably confirms that the Issuer will redeem the Credit Securities by Physical Settlement in accordance with Credit Security Condition 4;

(ii) contains a detailed description of the Deliverable Obligations that the Issuer will Deliver (or procure Delivery of) to the Holders, including the Outstanding Amount; and

(iii) where the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation Date and Fully Transferable Obligation Applicable" and "Modified Restructuring Maturity Limitation Date and Conditionally Transferable Obligation Applicable" is specified (or deemed specified) in the Final Terms or is applicable in respect of the applicable Transaction Type and the Redemption Date or Maturity Date of the Credit Securities is later than:

(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any; or

(B) the 2.5 year Limitation Date,

contains a detailed description of at least one Enabling Obligation (if any such Enabling Obligation exists).

The Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on the Settlement Valuation Date equal to the Reference Entity Notional Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment.

The Issuer may, from time to time, deliver to the Calculation Agent in the manner specified above a NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each Replacement Deliverable Obligation and shall also specify the Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Calculation Agent (given in the manner specified above) prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice.

"**Notice of Publicly Available Information**" means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (a) and (b) of the definition of "Repudiation/Moratorium". The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in the Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

"**Notional Credit Derivative Transaction**" means, with respect to any Credit Security and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Issuer, as Buyer (as defined in the Credit Derivatives Definitions), incorporating the terms of the Credit Derivatives Definitions and under the terms of which:

(a) the "Trade Date" is the Trade Date, if specified in the Final Terms and if not, the Issue Date;

(b) the "Scheduled Termination Date" is (in the case of Credit Notes) the Maturity Date, (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Warrants) the Expiration Date;

(c) the "Reference Entit(y)(ies)" thereunder is (are) such Reference Entit(y)(ies);

(d) the applicable "Transaction Type", if any, is the Transaction Type for the purposes of such Credit Security; and

(e) the remaining terms as to credit linkage are consistent with the terms of such Credit Security as it relates to such Reference Entity.

"**Nth-to-Default Credit Certificate**" means any First-to-Default Credit Certificate or any other nth-to-default Credit Certificates where the Issuer purchases credit protection from the Holders in respect of two or more Reference Entities, as specified in the Final Terms.

"**Nth-to-Default Credit Note**" means any First-to-Default Credit Note or any other nth-to-default Credit Notes where the Issuer purchases credit protection from the Holders in respect of two or more Reference Entities, as specified in the Final Terms.

"**Nth-to-Default Credit Warrant**" means any First-to-Default Credit Warrant or any other nth-to-default Credit Warrants where the Issuer sells credit protection to the Holders in respect of two or more Reference Entities, as specified in the Final Terms.

"**Obligation**" means:

(a) each obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified in relation to a Reference Entity, as provider of any Qualifying Guarantee) described by the Obligation Category specified in the Final Terms, and having each of the Obligation Characteristics specified in the Final Terms (but excluding any Excluded Obligation), in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice or a notice to ISDA which results in the occurrence of the Credit Event Resolution Request Date, as applicable, but excluding any Excluded Obligation;

(b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and

(c) any other obligation of a Reference Entity specified as such in the Final Terms.

"**Obligation Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Obligation Category**" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in relation to a Reference Entity.

"**Obligation Characteristic**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in relation to a Reference Entity.

"**Obligation Currency**" means the currency or currencies in which an Obligation is denominated.

"**Obligation Default**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Officer's Certification**" means a certificate signed by a director (or other substantively equivalent title) of the Issuer which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

"**Original Bonds**" means any Bonds comprising part of the relevant Deliverable Obligations.

"**Original Loans**" means any Loans comprising part of the relevant Deliverable Obligations.

"**Outstanding Amount**" means the Outstanding Principal Balance or Due and Payable Amount, as applicable.

"**Outstanding Principal Balance**" means:

(a) with respect to any Accreting Obligation, the Accreted Amount thereof;

(b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, the outstanding principal balance of such obligation excluding any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable; and

(c) with respect to any other Obligation, the outstanding principal balance of such Obligation.

"**Parallel Auction**" means "Auction" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Cancellation Date**" means "Auction Cancellation Date" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Final Price Determination Date**" means the "Auction Final Price Determination Date" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Settlement Terms**" means, in respect of a Credit Event with respect to a Reference Entity, following the occurrence of a Restructuring for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified (or deemed to be specified) in the Final Terms and Credit Securities, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions which would be applicable to the Notional Credit Derivative Transaction and for which the Notional Credit Derivative Transaction would not be an Auction Covered Transaction.

"**Partial Cash Settlement Amount**" means where the applicable Settlement Method is Physical Settlement, an amount determined by the Calculation Agent equal to the aggregate, for each Undeliverable Obligation, of:

(a) the Final Price of such Undeliverable Obligations multiplied by;

(b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of such Undeliverable Obligation specified in the relevant Notice of Physical Settlement.

"**Partial Cash Settlement Date**" means the date falling three Credit Security Business Days (unless otherwise specified in relation to a Reference Entity) after the calculation of the Final Price.

"**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

"**Payment Requirement**" means the amount specified as such the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the applicable Final Terms, U.S.$ 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"**Permissible Deliverable Obligations**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

"**Permitted Currency**" means:

(a) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership); or

(b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long term debt rating of either "AAA" or higher assigned to it by S&P, "Aaa" or higher assigned to it by Moody's or "AAA" or higher assigned to it by Fitch Ratings.

"**Physical Settlement Adjustment**" means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement, by an amount of Deliverable Obligations having a liquidation value equal to the Unwind Costs (only if positive) rounded upwards to the nearest whole denomination of a Deliverable Obligation, such amount to be determined by the Calculation Agent. For the avoidance of doubt, if the applicable Final Terms specify that Unwind Costs are not applicable, the Physical Settlement Adjustment shall be zero.

"**Physical Settlement Adjustment Rounding Amount**" means an amount (if any) equal to the difference between the absolute value of the Physical Settlement Adjustment and the liquidation value of such whole number of Deliverable Obligations as are not required to be Delivered by the Issuer by way of compensation for any Unwind Costs.

"**Physical Settlement Date**" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement as specified in relation to a Reference Entity as the Calculation Agent may designate, provided that if the Final Price has not been determined by the Credit Security Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the first Credit Security Business Day after the Final Price is determined.

"**Physical Settlement Matrix**" means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Trade Date (unless otherwise specified in relation to a Reference Entity) and as published by ISDA, currently at http://www.isda.org, provided that any reference therein to:

(a) "Confirmation" shall be deemed to be a reference to the applicable Final Terms;

(b) "Floating Rate Payer Calculation Amount" shall be deemed to be a reference to the Specified Currency;

(c) "Section 3.3 of the Definitions" shall be deemed to be a reference to "Credit Event Notice" as defined in this Annex 10;

(d) "Section 3.9" shall be deemed to be a reference to Credit Security Condition 8(a); and

(e) "Section 8.6" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Annex 10.

"**Physical Settlement Period**" means, subject to Credit Security Condition 2(e), the number of Credit Security Business Days specified as such in relation to a Reference Entity or, if a number of Credit Security Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of Credit Security Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"**Potential Cash Settlement Event**" means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, but excluding markets conditions or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable

Obligation, or due to the failure of the Holder to give the Issuer details of accounts for settlement; or a failure of the Holder to open or procure the opening of such accounts or if the Holders are unable to accept Delivery of the portfolio of Deliverable Obligations for any other reason).

"**Potential Failure to Pay**" means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

"**Potential Repudiation/Moratorium**" means the occurrence of an event described in sub-paragraph (a) of the definition of "Repudiation/Moratorium".

"**Public Source**" means each source of Publicly Available Information specified as such in the applicable Final Terms (or, if a source is not so specified in the Final Terms, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

"**Publicly Available Information**" means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice has occurred and which:

(i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer, the Guarantor (if applicable) or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer, the Guarantor (if applicable) or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation;

(ii) is information received from or published by (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation; or

(iii) is information contained in any petition or filing instituting a proceeding described in sub-paragraph (d) of the definition of "Bankruptcy" against or by a Reference Entity; or

(iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

(b) In the event that the Calculation Agent is:

(i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; and

(ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the Issuer an Officer's Certification.

(c) In relation to any information of any type described in sub-paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

(d) Publicly Available Information need not state:

(i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and

(ii) that such occurrence:

(i) has met the Payment Requirement or Default Requirement;

(ii) is the result of exceeding any applicable Grace Period; or

(iii) has met the subjective criteria specified in certain Credit Events.

"**Qualifying Affiliate Guarantee**" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

"**Qualifying Guarantee**" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an Underlying Obligation on behalf of the Underlying Obligor. Qualifying Guarantees shall exclude any arrangement:

(a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement; or

(b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

"**Qualifying Participation Seller**" means any participation seller that meets the requirements specified in relation to a Reference Entity. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"**Quotation**" means, in respect of Reference Obligations, Deliverable Obligations and Undeliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more Credit Security Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Credit Security Business Day within three Credit Security Business Days of a Relevant Valuation Date, then on the next following Credit Security Business Day (and, if necessary, on each Credit Security Business Day thereafter until the tenth Credit Security Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Credit Security Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Credit Security Business Day on or prior to the tenth Credit Security Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Credit Security Dealer at the Valuation Time

on such tenth Credit Security Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Credit Security Dealers at the Valuation Time on such tenth Credit Security Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation shall be deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

(b) If:

(i) "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;

(ii) "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and

(iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest, all Quotations shall be obtained in accordance with this determination.

(c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"**Quotation** Amount" means:

(a) with respect to a Reference Obligation, the amount specified in relation to a Reference Entity (which may be specified by reference to an amount in a currency or by reference to the Representative Amount) or, if no amount is so specified, the Reference Entity Notional Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

(b) with respect to each type or issue of Deliverable Obligation to be Delivered on or prior to the Physical Settlement Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Deliverable Obligation; and

(c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Undeliverable Obligation.

"**Redemption Date**" means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the applicable Final Terms.

"**Reference Entity**" or "**Reference Entities**" means the reference entity or reference entities specified in the Final Terms and any Successor to a Reference Entity either:

(a) as identified by the Calculation Agent in accordance with the definition of "Successor" on or following the Trade Date; or

(b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has resolved that a Succession Event has occurred, in respect of a Succession Event Resolution Request Date. A Successor in accordance with the Rules shall in each

case be a Reference Entity for the Credit Securities, as the terms of which may be modified pursuant to Credit Security Condition 6.

"**Reference Entity Notional Amount**" means the amount in which the Issuer has purchased (in the case of Credit Notes or Certificates) or sold (in the case of Credit Warrants) credit protection in respect of one or more Reference Entities, as set out in the Final Terms (or, if no such amount is specified, (in the case of Credit Notes) the Aggregate Nominal Amount or, in the case of Partly Paid Notes, the paid-up Aggregate Nominal Amount or (in the case of Credit Certificates or Credit Warrants) the aggregate Notional Amount of the Credit Securities or, in the case of Partly Paid Certificates, the paid-up aggregate Notional Amount of the Partly Paid Certificates, in each case, divided by the number of Reference Entities (and, in the case of Instalment Notes or Instalment Certificates, subject to reduction on redemption), subject to Credit Security Condition 6.

"**Reference Obligation**" means:

(a) the Reference Obligation specified in relation to a Reference Entity; and

(b) any Substitute Reference Obligation.

"**Reference Obligations Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics or, as the case may be, Deliverable Obligation Characteristics shall be applicable where Reference Obligations Only applies.

"**Relevant Date**" means (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date.

"**Relevant Obligations**" means:

(a) subject to sub-paragraph (b) below, the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case; and

(b) where "LPN Reference Entity" is applicable to a Reference Entity, each of the obligations listed as a Reference Obligation of such Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available at http://www.markit.com/marketing/services.php, any Additional LPN, and each Additional Obligation.

"**Relevant Valuation Date**" means the Settlement Valuation Date, Valuation Date or Undeliverable Valuation Date, as the case may be.

"**Replaced Deliverable Obligation Outstanding Amount**" means the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced.

"**Replacement Deliverable Obligation**" means each replacement Deliverable Obligation that the Issuer will, subject to Credit Security Condition 4, Deliver to the Holders in lieu of each original Deliverable Obligation which has not been Delivered as at the date of such NOPS Amendment Notice.

"**Replacement Reference Entity**" means any entity selected by the Calculation Agent acting in a commercially reasonable manner, which is incorporated in the same geographical area, has the same Transaction Type as the Legacy Reference Entity and which is of a similar or better credit quality than the Legacy Reference Entity, as measured by Standard & Poor's Ratings Services and/or by Moody's Investors Service Ltd., at the date of the relevant Succession Event provided that in selecting any Replacement Reference Entity, the Calculation Agent is under no obligation to the Holders, the Issuer or any other person and, provided that the Successor selected meets the criteria specified above, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Holders, the Issuer or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"**Repudiation/Moratorium**" means the occurrence of both of the following events:

(a) an authorised officer of a Reference Entity or a Governmental Authority:

(1) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or

(2) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

"**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to (in the case of Credit Certificates) the Redemption Date, (in the case of Credit Notes) the Maturity Date or (in the case of Credit Warrants) the Expiration Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix) Tokyo time)):

(a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of:

(1) the date that is 60 days after the date of such Potential Repudiation/Moratorium; and

(2) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and

(b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium.

"**Resolve**" has the meaning given to that term in the Rules, and "**Resolved**" and "**Resolves**" shall be interpreted accordingly.

"**Restructured Bond or Loan**" means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"**Restructuring**" means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

(b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:

(i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(ii) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) (inclusive) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(iii) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) (inclusive) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

(c) For the purposes of (a) and (b) above and Credit Security Condition 8(e), the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in relation to a Reference Entity, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.

"**Restructuring Date**" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"**Restructuring Exercise Date**" means the date that is 65 Business Days following the Final List Publication Date.

"**Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Relevant Date, provided that, in circumstances where the Relevant Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "**Latest Maturity Restructured Bond or Loan**") and the Relevant Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Relevant Date is later than:

(i) either:

(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any; or

(B) the 2.5-year Limitation Date,

and, in either case, no Enabling Obligation exists; or

(ii) the 20-year Limitation Date,

the Restructuring Maturity Limitation Date will be the Relevant Date.

"**Revised Currency Rate**" means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either:

(a) by reference to the Currency Rate Source as at the Next Currency Fixing time; or

(b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner after consultation with the parties.

"**Rules**" means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"**Senior Obligation**" means, for the purposes of the definitions of "Subordination" and "Subordinated Obligation", an obligation of the Reference Entity to which the Subordinated Obligation is being compared.

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms, or if no currency is so specified in the Final Terms, the Specified Currency.

"**Settlement Method**" means the settlement method specified as such in the Final Terms and if no Settlement Method is specified in the Final Terms, Auction Settlement.

"**Settlement Valuation Date**" means the date being three Credit Security Business Days prior to the Delivery Date provided that if a Notice of Physical Settlement is given or, as the case may be, changed at any time after the third Credit Security Business Day prior to the Physical Settlement Date, the Settlement Valuation Date shall be the date which is three Credit Security Business Days after such Notice of Physical Settlement is given.

"**Single Reference Entity Credit Certificate**" means Credit Certificates where the Issuer purchases credit protection from the Holders in respect of only one Reference Entity.

"**Single Reference Entity Credit Note**" means Credit Notes where the Issuer purchases credit protection from the Holders in respect of only one Reference Entity.

"**Single Reference Entity Credit Securities**" means Single Reference Entity Credit Certificates, Single Reference Entity Credit Notes and/or Single Reference Entity Credit Warrants, as the case may be.

"**Single Reference Entity Credit Warrant**" means Credit Warrants where the Issuer sells credit protection to the Holders in respect of only one Reference Entity.

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including without limiting the foregoing, the central bank) thereof.

"**Sovereign Agency**" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"**Sovereign Restructured Deliverable Obligation**" means an Obligation of a Sovereign Reference Entity:

(a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred; and

(b) described by the Deliverable Obligation Category specified in relation to a Reference Entity,

and, subject as set out in the definition of "Deliverable Obligation Category", having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

"**Specified Currency**" means, for the purposes of determining compliance with the Obligations Characteristics and Deliverable Obligation Characteristics only an obligation that is payable in the currency or currencies specified as such in relation to a Reference Entity (or, if Specified Currency is specified in respect of the Reference Entity and no currency is so specified, any of the Standard Specified Currencies.

"**Standard Specified Currencies**" means the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies.

"**Subordinated Obligation**" means, for the purposes of the definitions of "Subordination" and "Senior Obligation", an obligation of the Reference Entity which is being compared to such Senior Obligation.

"**Subordination**" means, with respect to a Subordinated Obligation and a Senior Obligation, a contractual, trust or other similar arrangement providing that (a) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation.

"**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

"**Substitute Reference Obligation**" means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in relation to a Reference Entity, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

(a) In the event that:

(i) a Reference Obligation is redeemed in whole; or

(ii) in the opinion of the Calculation Agent:

(i) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments);

(ii) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or

(iii) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that:

(i) ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date);

(ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Credit Securities; and

(iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in relation to a Reference Entity, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

(c) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(d) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference

Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(e) If:

(i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or

(ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to the Credit Securities, any of the events set forth under (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date.

(f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

"**succeed**" for the purposes of the provisions relating to the determination of Successor and the definitions of "Successor" and "Succession Event", means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to sub-paragraph (a) of the definition of "Successor" shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

"**Succession Event**" means:

(a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or

(b) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, "Succession Event" shall not include an event:

(i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event; or

(ii) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)).

"**Succession Event Backstop Date**" means:

(a) for purposes of any event that constitutes a Succession Event in relation to the Reference Entity, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(b) otherwise, the date that is 90 calendar days prior to the earlier of:

(i) the date on which the Issuer determines that a Succession Event has occurred; and

(ii) the Succession Event Resolution Request Date if:

(i) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules;

(ii) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and

(iii) the Issuer and/or the Calculation Agent determines, not more than fifteen Credit Security Business Days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, that a Succession Event has occurred.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless the parties specify in the Final Terms that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

"**Succession Event Resolution Request Date**" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred:

(i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event; or

(ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"**Successor**" means in relation to any Reference Entity, each Successor that ISDA has publicly announced, including prior to the Trade Date, that the relevant Credit Derivatives Determinations Committee has Resolved is a Successor to the original Reference Entity pursuant to a Succession Event that occurred on or following the Succession Event Backstop Date in accordance with the Rules; or if no Successor has been identified by a Credit Derivatives Determinations Committee:

(a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set out below:

(i) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor in respect of the relevant Reference Entity;

(ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor in respect of the relevant Reference Entity;

(iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remains with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor;

(iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor;

(v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor; and

(vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

(b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (a) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set out in (a)(i) to (vi) (inclusive) above have been met, or which entity qualifies under (a)(vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set out in (a) above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer and the Holders of such calculation; provided that the Calculation Agent will not make such determination if, at such time, either:

(c) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (a) above and sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor); or

(d) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of any Hedge Transaction has occurred.

"**Supranational Organisation**" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

"**Surviving Reference Entity**" has the meaning given to such term in Credit Security Condition 6(c)(ii) above.

"**Trade Date**" means the date specified as such in the applicable Final Terms.

"**Transaction Auction Settlement Terms**" means, in respect of any Reference Entity and a related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA in respect of such Credit Event and in respect of which the Notional Credit Derivative Transaction would be an Auction Covered Transaction.

"**Transaction Type**" means, unless otherwise specified in the Final Terms, each "Transaction Type" specified as such in the Physical Settlement Matrix from time to time.

"**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds,

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans.

"**Undeliverable Obligation**" means a Deliverable Obligation included in the Notice of Physical Settlement which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Settlement Date.

"**Undeliverable Valuation Date**" means the date that is five Credit Security Business Days after the Latest Permissible Physical Settlement Date or, as applicable, the Extended Physical Settlement Date.

"**Underlying Finance Instrument**" means where the LPN Issuer provides finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument.

"**Underlying Loan**" means where the LPN Issuer provides a loan to the Reference Entity.

"**Underlying Obligation**" means an obligation in respect of which the Reference Entity has agreed to pay all the amounts due thereunder.

"**Underlying Obligor**" means, the party which is the actual obligor of an Underlying Obligation.

"**Unwind Costs**" means the amount specified in the applicable Final Terms or if "Standard Unwind Costs" are specified in the applicable Final Terms (or in the absence of such specification), an amount, subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption, settlement, cancellation and/or termination of the Credit Securities and the related termination, settlement or re-establishment of any Hedge Transaction, such amount to be apportioned *pro rata* amongst the outstanding (and in the case of Partly Paid Notes, paid-up) nominal amount or outstanding (and, in the case of Partly Paid Certificates, paid-up) notional amount of each Credit Security equal to the (in the case of Credit Notes) Calculation Amount or (in the case of Credit Certificates or Credit Warrants) Notional Amount set out in the applicable Final Terms.

"**Valuation Date**" means:

(a) any Credit Security Business Day falling between the 55th and the 122nd Credit Security Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later Credit Security Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

(b) if "Cash Settlement" is applicable as a Fallback Settlement Method, any Credit Security Business Day falling between the 55th and the 122nd Credit Security Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later Credit Security Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

(c) if Partial Cash Settlement applies, the date which is up to fifteen Credit Security Business Days after the Latest Permissible Physical Settlement Date or, as applicable the Extended Physical Settlement Date (as selected by the Calculation Agent in its sole and absolute discretion).

"**Valuation Obligation**" means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit Security Conditions, one or more obligations of such Reference Entity (either directly or as provider of a Qualifying Guarantee or, as the case may be, Qualifying Affiliate Guarantee), which would constitute a "Deliverable Obligation" if Physical Settlement were the applicable Settlement Method as selected by the Issuer in its sole and absolute discretion on the applicable Valuation Date, provided that, for such purpose:

(a) any reference to the words "Delivery Date" in the definitions of "Conditionally Transferable Obligation", "Deliverable Obligation", within any of the terms comprising "Deliverable Obligation Category" or "Deliverable Obligation Characteristic" and "Due and Payable Amount" shall be deemed to be a reference to the words "Relevant Valuation Date";

(b) the deletion of the words "being Delivered" in the definition of "Deliverable Obligation"; and

(c) the deletion of the whole of the second paragraph within the definition of "Not Contingent" and replacing it with the following:

"If an Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Obligation may only be included in the Valuation Obligations Portfolio if the rights referred to in clauses (a) and (b) above have not been exercised (or such exercise has been effectively rescinded) on or before the Relevant Valuation Date."

For the avoidance of doubt, the use of Deliverable Obligation terms in the definition of "Valuation Obligation" is for convenience only and is not intended to amend the selected settlement method.

"**Valuation Obligations Portfolio**" means one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion, each in an Outstanding Principal Balance selected by the Calculation Agent in its sole and absolute discretion provided that the aggregate of such Outstanding Principal Balances (or in each case the equivalent in the Specified Currency thereof (converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to (and including) the Valuation Date, as selected by the Calculation Agent in its sole and absolute discretion)), shall not exceed the relevant Reference Entity Notional Amount.

"**Valuation Time**" means the time specified in relation to a Reference Entity or, if no time is so specified, 11:00 a.m. in the principal trading market for the relevant Valuation Obligation or Undeliverable Obligation, as the case may be.

"**Voting Shares**" shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"**Weighted Average Final Price**" means the weighted average of the Final Prices determined for each selected Valuation Obligation in the Valuation Obligations Portfolio, weighted by the Currency Amount of each such Valuation Obligation (or its equivalent in the Settlement Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time of such determination).

If "Zero Recovery" is specified as applicable in the Final Terms, the Weighted Average Final Price shall be zero.

"**Weighted Average Quotation**" means, in accordance with (in the case of Credit Notes and Certificates) the bid quotations or (in the case of Credit Warrants) the offer quotations provided by the Credit Security Dealers, the weighted average of firm quotations obtained from the Credit Security Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation, Deliverable Obligation or Undeliverable Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (in the case of Deliverable Obligations only, but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

11. Amendments to Note Conditions and W&C Security Conditions

11.1 Amendments to Note Conditions

The Terms and Conditions of the Notes are amended as follows:

(a) In the penultimate paragraph of Condition 3.1 (Interest on Fixed Rate Notes), (i) each reference to "the aggregate outstanding nominal amount" shall be deleted and replaced with "the daily average of the aggregate outstanding nominal amount"; and (ii) the reference to "the aggregate amount paid up" shall be deleted and replaced with "the daily average of the aggregate amount paid up and outstanding".

(b) In paragraph (i) and paragraph (ii) of each of Condition 3.2(c) (Determination of Rate of Interest and Calculation of Interest Amount) and Condition 3.3(c) (Determination of Rate of Interest and Calculation of Interest Amount), each reference to "the aggregate outstanding nominal amount" shall be deleted and replaced with "the daily average of the aggregate outstanding nominal amount".

(c) In paragraph (i) of each of Condition 3.2(c) (Determination of Rate of Interest and Calculation of Interest Amount) and Condition 3.3(c) (Determination of Rate of Interest and Calculation of Interest

Amount), the reference to "(or, if they are Partly Paid Notes, the aggregate amount paid up)" shall be deleted and replaced with "(or, if they are Partly Paid Notes, the daily average of the aggregate amount paid up and outstanding)".

(d) In Condition 3.10 (Interest on Partly Paid Notes), the reference to "paid-up nominal amount of such Notes" shall be deleted and replaced with "the daily average of the nominal amount paid up and outstanding of such Notes".

(e) In Condition 3.11 (Interest Payments), the second sentence thereof shall be deleted and replaced with the following:

"If such Note is redeemed early (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the due date for redemption of such Note (or if the applicable Final Terms specify that Accrual to Preceding IPED is applicable, interest will cease to accrue from and including the Interest Period End Date immediately preceding (A) the date on which notice is given for the early redemption of such Note or (B) if there is no such notice, the due date for early redemption of such Note).".

(f) Condition 5.1 (Final Redemption) shall be amended by adding the following immediately before the end thereof:

"Notwithstanding the above, unless previously redeemed or purchased and cancelled as provided below, each Credit Security will be redeemed in accordance with the Credit Security Conditions and the applicable Final Terms.".

11.2 **Amendments to W&C Security Conditions**

The Terms and Conditions of the W&C Securities are amended as follows:

(a) Condition 23.4 (General) shall be amended by adding the following immediately before the end thereof:

"Exercise and settlement of each Credit Warrant shall be subject to the Credit Security Conditions and the applicable Final Terms.".

(b) In the penultimate paragraph of Condition 31(a) (Interest on Fixed Rate Certificates), the reference to "the Notional Amount of each Certificate" shall be deleted and replaced with "the average daily outstanding Notional Amount of each Certificate".

(c) The last paragraph of Condition 31(b)(vi) (Determination of Rate of Interest and Calculation of Interest Amount) shall be amended by deleting and replacing the reference to "the Notional Amount of such Certificate" with the following:

"the average daily outstanding Notional Amount of such Certificate".

(d) In Condition 31(e) (Interest on Partly Paid Certificates), the reference to "paid-up amount of such Certificates" shall be deleted and replaced with the following:

" paid-up average daily outstanding amount of such Certificates".

(e) In Condition 31(f) (Accrual of Interest), the second sentence thereof shall be deleted and replaced with the following:

"If such Certificate is redeemed early, (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant payment date has not occurred on or prior to the due date for redemption of such Certificate (or if the applicable Final Terms specify that Accrual to Preceding IPED is applicable, interest will cease to accrue from and including the Interest Period End Date immediately preceding (A) the date on which notice is given for the early redemption of such Certificate or (B) if there is no such notice, the due date for early redemption of such Certificate), unless in either case payment of principal and/or delivery of all assets deliverable is improperly withheld or refused.".

ANNEX A TO THE ADDITIONAL TERMS AND CONDITIONS FOR CREDIT SECURITIES

AUCTION SETTLEMENT TERMS ANNEX

If an Event Determination Date occurs with respect to the Credit Securities and Auction Settlement applies, the Auction Settlement Amount with respect to the Credit Securities will be calculated based on the Auction Final Price for the Reference Entity (if any). This Annex contains a summary of certain provisions of the Form of Credit Derivatives Auction Settlement Terms set forth at Annex B to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") on 12 March 2009 (the "**Form of Auction Settlement Terms**") and is qualified by reference to the detailed provisions thereof and is subject to amendment from time to time of the Rules, including any amendment following the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement dated 14 July 2009, as published by ISDA (the "**July 2009 Supplement**"). The July 2009 Supplement extended the auction hardwiring process to Restructuring credit events. Following certain Restructuring credit events, more than one auction may be held and there may be more than one Auction Final Price and credit default swaps are grouped into buckets by maturity and depending on which party triggers the credit default swap. Deliverable obligations will be identified for each bucket (any deliverable obligations included in a shorter bucket will also be deliverable for all longer buckets). If the Credit Derivatives Determinations Committee determines to hold an auction for a particular bucket, then that auction will be held according to the existing auction methodology that has previously been used for Bankruptcy and Failure to Pay credit events as described in the summary below, except that the deliverable obligations will be limited to those falling within the relevant maturity bucket.

The following does not purport to be a complete summary and prospective investors must refer to the Form of Auction Settlement Terms for detailed information regarding the auction methodology set forth therein (the "**Auction Methodology**"). The Auction and the Auction Methodology apply to credit default swaps on the Reference Entity and do not apply specifically to the Credit Securities. A copy of the Form of Auction Settlement Terms may be inspected at the offices of the Issuer and is also currently available at www.isda.org (or any successor website thereto).

Holders should also be aware that this summary of the Form of the Auction Settlement Terms is accurate only as of the date hereof and the Form of Auction Settlement Terms may be amended from time to time without consultation with Holders. At any time after the date of this annex, the latest Form of the Auction Settlement Terms will be available on the ISDA website at www.isda.org (or any successor website thereto). Further, notwithstanding the fact that the form of Auction Settlement Terms (as may be amended from time to time) appears on the ISDA website, Holders should note that the Credit Derivatives Determinations Committees have the power to amend the form of Credit Derivatives Auction Settlement Terms for a particular auction and that this summary may therefore not be accurate in all cases.

Capitalized terms used but not defined in this summary have the meaning specified in the Rules and the Form of Auction Settlement Terms. All times of day in this summary refer to such times in London.

Publication of Credit Derivatives Auction Settlement Terms

Pursuant to the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) as of 16 September 2014 (the "**Rules**"), a Credit Derivatives Determinations Committee may determine that a Credit Event has occurred in respect of a Reference Entity (such entity, an "**Affected Reference Entity**") and that one or more auctions will be held in order to settle affected transactions referencing such Affected Reference Entity based upon an Auction Final Price determined in accordance with an auction procedure as set forth in the Form of Auction Settlement Terms (each, an "**Auction**"). If an Auction is to be held, the Credit Derivatives Determinations Committee will publish Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, based upon the Form of Auction Settlement Terms. In doing so, the Credit Derivatives Determinations Committee will make several related determinations, including the date on which the Auction will be held (the "**Auction Date**"), the institutions that will act as participating bidders in the Auction (the "**Participating**

Bidders") and the supplemental terms that are detailed in Schedule 1 to the Form of Auction Settlement Terms. The Credit Derivatives Determinations Committee may also amend the Form of Auction Settlement Terms for a particular auction and may determine that a public comment period is necessary in order to effect such an amendment if such amendment is not contemplated by the Rules.

Auction Methodology

Determining the Auction Currency Rate

On the Auction Currency Fixing Date, the Administrators will determine the rate of conversion (each, an "**Auction Currency Rate**") as between the Relevant Currency and the currency of denomination of each Deliverable Obligation (each, a "**Relevant Pairing**") by reference to a Currency Rate Source or, if such Currency Rate Source is unavailable, by seeking mid-market rates of conversion from Participating Bidders (determined by each such Participating Bidder in a commercially reasonable manner) for each such Relevant Pairing. If rates of conversion are sought from Participating Bidders and more than three such rates are obtained by the Administrators, the Auction Currency Rate will be the arithmetic mean of such rates, without regard to the rates having the highest and lowest values. If exactly three rates are obtained, the Auction Currency Rate will be the rate remaining after disregarding the rates having the highest and lowest values. For this purpose, if more than one rate has the same highest or lowest value, then one of such rates shall be disregarded. If fewer than three rates are obtained, it will be deemed that the Auction Currency Rate cannot be determined for such Relevant Pairing.

Initial Bidding Period

During the Initial Bidding Period, Participating Bidders will submit to the Administrators: (a) Initial Market Bids; (b) Initial Market Offers; (c) Dealer Physical Settlement Requests; and (d) Customer Physical Settlement Requests (to the extent received from customers).

Initial Market Bids and Initial Market Offers are firm quotations, expressed as percentages, to enter into credit derivative transactions in respect of the Affected Reference Entity on terms equivalent to the Representative Auction-Settled Transaction.

The Initial Market Bid and Initial Market Offer submitted by each Participating Bidder must differ by no more than the designated Maximum Initial Market Bid-Offer Spread and must be an integral multiple of the Relevant Pricing Increment (each as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity). The Initial Market Bid must be less than the Initial Market Offer.

Dealer Physical Settlement Requests and Customer Physical Settlement Requests are firm commitments, submitted by a Participating Bidder, on its own behalf or on behalf of a customer, as applicable, to enter into a Representative Auction-Settled Transaction, in each case, as seller (in which case, such commitment will be a "**Physical Settlement Buy Request**") or as buyer (in which case, such commitment will be a "**Physical Settlement Sell Request**"). Each Dealer Physical Settlement Request must be, to the best of such Participating Bidder's knowledge and belief, in the same direction as, and not in excess of, its Market Position. Each Customer Physical Settlement Request must be, to the best of the relevant customer's knowledge and belief (aggregated with all Customer Physical Settlement Requests submitted by such customer), in the same direction as, and not in excess of, its Market Position.

If the Administrators do not receive valid Initial Market Bids and Initial Market Offers from at least a minimum number of Participating Bidders (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity), the timeline will be adjusted and the Initial Bidding Period extended, with the Auction recommencing at such time(s) specified by the Administrators, otherwise it will proceed as follows.

Determination of Open Interest, Initial Market Midpoint and Adjustment Amounts

The Administrators will calculate the Open Interest, the Initial Market Midpoint and any Adjustment Amounts in respect of the Auction.

The Open Interest is the difference between all Physical Settlement Sell Requests and all Physical Settlement Buy Requests.

To determine the Initial Market Midpoint, the Administrators will: (a) sort the Initial Market Bids in descending order and the Initial Market Offers in ascending order, identifying non-tradeable markets for which bids are lower than offers; (b) sort non-tradeable markets in terms of tightness of spread between Initial Market Bid and Initial Market Offer; and (c) identify that half of the non-tradeable markets with the tightest spreads. The Initial Market Midpoint is determined as the arithmetic mean of the Initial Market Bids and Initial Market Offers contained in the half of non-tradeable markets with the tightest spreads.

Any Participating Bidder whose Initial Market Bid or Initial Market Offer forms part of a tradeable market will be required to make a payment to ISDA on the third Business Day after the Auction Final Price Determination Date (an "**Adjustment Amount**"), calculated in accordance with the Auction Methodology. Any payments of Adjustment Amounts shall be used by ISDA to defray any costs related to any auction that ISDA has coordinated, or that ISDA will in the future coordinate, for purposes of settlement of credit derivative transactions.

If for any reason no single Initial Market Midpoint can be determined, the procedure set out above may be repeated.

At or prior to the Initial Bidding Information Publication Time on any day on which the Initial Bidding Period has successfully concluded, the Administrators publish the Open Interest, the Initial Market Midpoint and the details of any Adjustment Amounts in respect of the Auction.

If the Open Interest is zero, the Auction Final Price will be the Initial Market Midpoint.

Submission of Limit Order Submissions

In the event that the Open Interest does not equal zero, a subsequent bidding period will be commenced during the Initial Bidding Period which: (a) if the Open Interest is an offer to sell Deliverable Obligations, Participating Bidders submit Limit Bids; or (b) if the Open Interest is a bid to purchase Deliverable Obligations, Limit Offers, in each case, on behalf of customers and for their own account.

Matching bids and offers

If the Open Interest is a bid to purchase Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Offers and Limit Offers, as further described in the Auction Methodology. If the Open Interest is an offer to sell Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Bids and Limit Bids, as further described in the Auction Methodology.

(a) **Auction Final Price when the Open Interest is Filled**

The Auction Final Price will be the price associated with the matched Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, that is the highest offer or the lowest bid, as applicable, provided that: (a) if the Open Interest is an offer to sell and the price associated with the lowest matched bid exceeds the Initial Market Midpoint by more than the "Cap Amount" (being the percentage that is equal to one half of the Maximum Initial Market Bid-Offer Spread (rounded to the nearest Relevant Pricing Increment)), then the Auction Final Price will be the Initial Market Midpoint plus the Cap Amount; and (b) if the Open Interest is a bid to purchase and the Initial Market Midpoint exceeds the price associated with the highest offer by more than the Cap Amount, then the Auction Final Price will be the Initial Market Midpoint minus the Cap Amount.

(b) **Auction Final Price when the Open Interest is Not Filled**

If, once all the Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, have been matched to the Open Interest, part of the Open Interest remains, the Auction Final Price will be: (a) if the Open Interest is a bid to purchase Deliverable Obligations, the greater of (i) zero, and (ii) the highest Limit Offer or Initial Market Offer received; or (b) if the Open Interest is an offer to sell Deliverable Obligations, zero.

100 per cent. Cap to Auction Final Price

In all cases, if the Auction Final Price determined pursuant to the Auction Methodology is greater than 100 per cent., then the Auction Final Price will be deemed to be 100 per cent.

Publication of Auction Final Price

At or prior to the Subsequent Bidding Information Publication Time on any day on which the subsequent bidding period has successfully concluded, the Administrators will publish on their websites: (a) the Auction Final Price; (b) the names of the Participating Bidders who submitted bids, offers, valid Dealer Physical Settlement Requests and valid Customer Physical Settlement Requests, together with the details of all such bids and offers submitted by each; and (c) the details and size of all matched trades.

Execution of Trades Formed in the Auction

Each Participating Bidder whose Limit Bid or Initial Market Bid (or Limit Offer or Initial Market Offer if applicable) is matched against the Open Interest, and each Participating Bidder that submitted a Customer Physical Settlement Request or Dealer Physical Settlement Request, is deemed to have entered into a Representative Auction-Settled Transaction, and each customer that submitted such a Limit Bid, Limit Offer, or Physical Settlement Request is deemed to have entered into a Representative Auction-Settled Transaction with the dealer through whom the customer submitted such bid or offer. Accordingly, each such Participating Bidder or customer that is a seller of Deliverable Obligations pursuant to a trade formed in the auction must deliver to the buyer to whom such Participating Bidder or customer has been matched a Notice of Physical Settlement indicating the Deliverable Obligations that it will deliver, and such Deliverable Obligations will be sold to the buyer in exchange for payment of the Auction Final Price.

Timing of Auction Settlement Provisions

If an Auction is held in respect of an Affected Reference Entity, it is expected that the relevant Auction Date will occur on the third Business Day immediately prior to the 30th calendar day after which the relevant Credit Derivatives Determinations Committee received the request from an eligible market participant (endorsed by a member of the relevant Credit Derivatives Determinations Committee) to resolve whether a Credit Event has occurred with respect to such Reference Entity.

In respect of an Affected Reference Entity for which an Auction is held, the Auction Settlement Date will occur on a Business Day following the Auction Final Price Determination Date, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

ANNEX B TO THE ADDITIONAL TERMS AND CONDITIONS FOR CREDIT SECURITIES

CREDIT DERIVATIVES DETERMINATIONS COMMITTEES

In making certain determinations with respect to the Credit Securities, the Calculation Agent may but is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committees. This Annex sets forth a summary of the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) as of 16 September 2014 (the "**Rules**") and is subject to the rules as published by ISDA from time to time and as amended from time to time. This summary is not intended to be exhaustive and prospective investors should also read the Rules and reach their own views prior to making any investment decisions. A copy of the Rules published by ISDA is available at: www.isda.org (or any successor website thereto).

Capitalised terms used but not defined in this summary have the meaning specified in the applicable Final Terms or the Rules, as applicable.

Establishment of the Credit Derivatives Determinations Committees

In accordance with the Rules, a Credit Derivatives Determinations Committee has been formed for each of the regions of (a) the Americas, (b) Asia Ex-Japan, (c) Australia-New Zealand, (d) Europe, Middle East and Africa and (e) Japan. As of the date hereof, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees. See "Risk Factors – Conflicts of Interest – Credit Derivatives Determinations Committees" for additional information regarding conflicts of interest. The Credit Derivatives Determinations Committees will act in accordance with the Rules and will make determinations that are relevant for Credit Derivative Transactions that incorporate, or are deemed to incorporate, the 2014 ISDA Credit Derivatives Definitions (the "**2014 Definitions**") or the 2003 ISDA Credit Derivatives Definitions, as supplemented by the March 2009 Supplement or the 2003 ISDA Credit Derivatives Definitions, as supplemented by the July 2009 Supplement (the "**Updated 2003 Definitions**"). ISDA will serve as the secretary of each Credit Derivatives Determinations Committee and will perform administrative duties and make certain determinations as provided for under the Rules.

Decision-making Process of the Credit Derivatives Determinations Committees

Each DC Resolution by a Credit Derivatives Determinations Committee will apply to Credit Derivative Transactions that incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions (depending on the applicable "Coverage Election" and subsequent determinations of the Credit Derivatives Determinations Committee) and for which the relevant provisions are not materially inconsistent with the provisions with respect to which the Credit Derivatives Determinations Committee bases its determination. As a result, determinations by the Credit Derivatives Determinations Committees are not applicable to the Holders, unless specified otherwise in the terms of the Credit Securities. The Credit Derivatives Determinations Committees shall have no ability to amend the terms of the Credit Securities. Furthermore, the institutions on the Credit Derivatives Determinations Committees owe no duty to the Holders. See "Risk Factors - Rights Associated with Credit Derivatives Determinations Committees" for further information. The terms of the Credit Securities provide that the Holders will be subject to certain determinations by the Credit Derivatives Determinations Committees. The Credit Derivatives Determinations Committees will be able to make determinations without action or knowledge by the Holders.

A Credit Derivatives Determinations Committee will be convened upon referral of (i) a question to ISDA by an identified eligible market participant and the agreement of at least one of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question, or (ii) a question to ISDA by an unidentified eligible market participant and the agreement of at least two of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question, or (iii) a question to ISDA by an eligible market participant which is an Eligible CCP (being an eligible clearing entity) and such question is not designated as a "General Interest Question" and relates to an eligible cleared Reference Entity with respect to such Eligible CCP and to certain specified matters such as a Credit

Event, Potential Repudiation/Moratorium and/or Successor. ISDA will convene the Credit Derivatives Determinations Committee for the region to which the referred question relates, as determined in accordance with the Rules. Any party to a transaction that incorporates, or is deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions may refer a question to ISDA for a Credit Derivatives Determinations Committee to consider. Therefore, a binding determination may be made with respect to the Credit Securities without any action by the Holders. Holders (in their capacity as holders of the Credit Securities) will not be able to refer questions to the Credit Derivatives Determinations Committees.

Once a question is referred to a Credit Derivatives Determinations Committee, a DC Resolution may result quickly, as a binding vote usually must occur within two business days of the first meeting held with respect to such question unless the timeframe is extended by agreement of at least 80% of the voting members participating in a vote held in accordance with the Rules. In addition, voting members of the Credit Derivatives Determinations Committees are required to participate in each binding vote, subject only to limited abstention rights. Notices of questions referred to the Credit Derivatives Determinations Committees, meetings held to deliberate such questions, meeting statements and the results of binding votes will be published on the ISDA website and neither the Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Holders of such information (other than as expressly provided in the Final Terms). Holders shall therefore be responsible for obtaining such information. See "Risk Factors – Rights Associated with Credit Derivatives Determinations Committees".

The Credit Derivatives Determinations Committees have the ability to make determinations that may materially affect the Holders. The Credit Derivatives Determinations Committees will be able to make a broad range of determinations in accordance with the Rules that may be relevant to the Credit Securities and materially affect the Holders. For each of the general types of questions discussed below, the Credit Derivatives Determinations Committees may determine component questions that arise under the 2014 Definitions or the Updated 2003 Definitions, or the Rules and that are related to the initial question referred. Since the terms governing the credit-linked elements of the Credit Securities are substantially similar to the 2014 Definitions or, as the case may be, the Updated 2003 Definitions, such determinations may affect the Holders, as further described below.

Credit Events

The Credit Derivatives Determinations Committees will be able to determine whether a Credit Event has occurred and, if applicable, the date of such Credit Event. Related questions that are also within the scope of the Credit Derivatives Determinations Committees are whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred. In addition, the Credit Derivatives Determinations Committees will also determine, where necessary, whether the required Publicly Available Information has been provided. Each of these determinations, other than whether the required Publicly Available Information has been provided, requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below. The determination of whether the required Publicly Available Information has been provided requires the agreement of at least a majority of the voting members participating in a binding vote held in accordance with the Rules and is not eligible for external review. Each of these determinations may affect whether an Event Determination Date will occur under the Credit Securities. If the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred with respect to one of the Reference Entity(ies) on or after the Credit Event Backstop Date, then an Event Determination Date is deemed to have occurred in respect of the Credit Securities.

Successors

The Credit Derivatives Determinations Committees will be able to determine whether there are any Successor or Successors to a Reference Entity and the relevant Succession Date. In addition, the Credit Derivatives Determinations Committees will also determine the identity of the Successor(s) in accordance with the Rules. For a Reference Entity that is not a Sovereign, the Credit Derivatives Determinations Committees will determine the Relevant Obligation(s) of the Reference Entity (including any adjustments required to be made if there is a Steps Plan), the proportion of the Relevant Obligation(s) to which each purported Successor succeeds and the Succession Date. For a Reference Entity that is a

Sovereign, the Credit Derivatives Determinations Committees will determine the Relevant Obligation(s) of the Reference Entity (including any adjustments to be made if there is a Steps Plan), whether a Sovereign Succession Event has occurred, if so the proportion of the Relevant Obligation(s) to which each purported Successor succeeds, and the Succession Date. Each of these determinations requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below, except for the actual identification of the Successor(s) for a Reference Entity (which only requires a majority and is not eligible for external review). The Calculation Agent may use the relevant DC Resolutions of the Credit Derivatives Determinations Committees in order to determine Successor(s) to the Reference Entity(ies).

Other Questions

The Credit Derivatives Determinations Committees will be able to determine whether circumstances have occurred that require a Substitute Reference Obligation to be identified and, if so, the appropriate Substitute Reference Obligation. In addition, the Credit Derivatives Determinations Committees will be able to determine whether an entity that acts as seller of protection under one or more transactions (such entity, the "**Relevant Seller**") or a Reference Entity has consolidated or amalgamated with, or merged into, or transferred all or substantially all its assets to, the Reference Entity or the Relevant Seller, as applicable, or that the Relevant Seller and the Affected Reference Entity have become Affiliates. Each of these determinations requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below. The Calculation Agent may follow such DC Resolutions in making the equivalent determinations with respect to the Credit Securities.

The Credit Derivatives Determinations Committees will be able to determine other referred questions that are relevant to the credit derivatives market as a whole and are not merely a matter of bilateral dispute. Such questions require the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules for each Credit Derivatives Determinations Committee implicated by the relevant question, as determined in accordance with the Rules, in order to avoid the possible referral of the question to the external review process, as described further below. Furthermore, the question relating to such DC Resolution may also be referred to the external review process if at least a majority of the voting members participating in a binding vote held in accordance with the Rules agree. Any guidance given by the Credit Derivatives Determinations Committees with respect to questions of interpretation of the 2014 Definitions or, as the case may be, the Updated 2003 Definitions are likely to influence the Calculation Agent in interpreting equivalent provisions under the Notes.

Any such question can be submitted to the Credit Derivatives Determinations Committees by an unidentified eligible market participant for deliberation. The relevant Credit Derivatives Determinations Committee(s) will deliberate such question upon the agreement of at least two of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question. Once the deliberations on such question have commenced, the relevant Credit Derivatives Determinations Committee will proceed in accordance with the procedures described above with respect to the relevant question category, except that the identity of the eligible market participant who submitted the question will not be revealed to the members of the Credit Derivatives Determinations Committees or the general public.

External Review

As described immediately above, certain questions deliberated by the Credit Derivatives Determinations Committees are subject to an external review process if the required threshold is not met during the binding vote held with respect to such question. For such questions, if at least 80% of the voting members participating in a binding vote held in accordance with the Rules fail to agree, the question will be automatically referred to the external review process. Questions that are not eligible for external review often require only a simple majority of participating voting members to agree in order to reach a DC Resolution.

Questions referred to external review will be considered by a panel of three independent individuals who will be selected by either the relevant Credit Derivatives Determinations Committee or by ISDA at random. The default duration of the

external review process (which can be modified by the relevant Credit Derivatives Determinations Committee in accordance with the Rules) is twelve business days from the referral of the question and contemplates the receipt of both written submissions and oral argument. Any member of ISDA may provide written submissions to the external reviewers, which will be made available to the public on the ISDA website, and the conclusion reached in accordance with the external review process will be binding on the Holders. In instances where the vote of the relevant Credit Derivatives Determinations Committee was less than or equal to 60%, the decision of a majority of the external reviewers will be determinative. However, in instances where the vote of the relevant Credit Derivatives Determinations Committee was between 60% and 80%, all three external reviewers must agree in order to overturn the vote of the Credit Derivatives Determinations Committee.

Holders should be aware that the external reviewers may not consider new information that was not available to the relevant Credit Derivatives Determinations Committee at or prior to the time of the binding vote and questions may be returned to the Credit Derivatives Determinations Committee for another vote if new information becomes available. In addition, if the external reviewers fail to arrive at a decision for any reason, the entire process will be repeated. As a result, the external review process may be elongated in certain situations, leaving questions that may materially affect the Holders unresolved for a period of time.

The Composition of the Credit Derivatives Determinations Committees

Each Credit Derivatives Determinations Committee is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region. For the first composition of the Credit Derivatives Determinations Committees only, an additional non-voting dealer institution has been selected to serve across all regions.

Holders will have no role in the composition of the Credit Derivatives Determinations Committees. Separate criteria applies with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committees and the Holders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committees will change from time to time in accordance with the Rules, as the term of an institution may expire or an institution may be required to be replaced. The Holders will have no control over the process for selecting institutions to participate on the Credit Derivatives Determinations Committees and, to the extent provided for in the Credit Securities, will be subject to the determinations made by such selected institutions in accordance with the Rules.

Ability of the Calculation Agent or its Affiliates to influence the Credit Derivatives Determinations Committees

As of the date hereof, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees. In such capacity, it may take certain actions that may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees, including (without limitation): (a) agreeing to deliberate a question referred to ISDA, (b) voting on the resolution of any question being deliberated by a Credit Derivatives Determinations Committee and (c) advocating a certain position during the external review process. In addition, as a party to transactions which incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions, the Calculation Agent may refer a question to ISDA for a Credit Derivatives Determinations Committee to deliberate. In deciding whether to take any such action, the Calculation Agent (or its Affiliate) shall be under no obligation to consider the interests of any Holder. See "Potential conflicts of interest of the Calculation Agent" below for additional information.

Potential Conflicts of interest of the Calculation Agent

Since, as of the date hereof, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees and is a party to transactions which incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions, it may take certain actions which may influence the process and

outcome of decisions of the Credit Derivatives Determinations Committees. See "Ability of the Calculation Agent or its Affiliates to influence the Credit Derivatives Determinations Committees" above for additional information. Such action may be adverse to the interests of the Holders and may result in an economic benefit accruing to the Calculation Agent. In taking any action relating to the Credit Derivatives Determinations Committees or performing any duty under the Rules, the Calculation Agent shall have no obligation to consider the interests of the Holders and may ignore any conflict of interest arising due to its responsibilities under the Credit Securities.

Holders will have no recourse against either the institutions serving on the Credit Derivatives Determinations Committees or the external reviewers. Institutions serving on the Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on the Credit Derivatives Determinations Committees do not owe any duty to the Holders and the Holders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Holders should also be aware that institutions serving on the Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

Holders shall be responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committees. Notices of questions referred to the Credit Derivatives Determinations Committees, meetings held to deliberate such questions and the results of binding votes will be published on the ISDA website and neither the Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Holders of such information (other than as expressly provided in the applicable Final Terms). Failure by the Holders to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the applicable Final Terms and Holders are solely responsible for obtaining any such information.

Amendments to the Rules

The Rules may be amended from time to time without the consent or input of the Holders and the powers of the Credit Derivatives Determinations Committees may be expanded or modified as a result.

Part B

This Part B shall only apply if the Final Terms of the Securities specify that Part B of Annex 10 (Additional Terms and Conditions for Credit Securities) applies. Where this Part B applies, for the avoidance of doubt, the terms of Part A of Annex 10 shall not apply to the Securities. This Part B shall not apply to Credit Warrants.

1. General

The Final Terms shall specify:

(i) the Reference Entity;

(ii) the Trade Date; and

(iii) the Maturity Date or Redemption Date, as applicable.

2. Redemption

(a) **Redemption absent Event Determination Date**

The Issuer will redeem each Credit Certificate or Note on the related Credit Security Settlement Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the Cash Settlement Amount of such Certificate unless:

(i) an Automatic Early Redemption Event has occurred (if applicable);

(ii) the Credit Securities have been previously redeemed or purchased or cancelled in full (including pursuant to Credit Security Condition 2(b)); or

(iii) an Event Determination Date occurs, in which event the Issuer shall redeem the Credit Securities in accordance with Credit Security 2(b).

(b) **Redemption following Event Determination Date**

Upon the occurrence of an Event Determination Date in relation to a Reference Entity, each Certificate or Note will be redeemed at the Credit Event Settlement Amount on the Cash Settlement Date in full satisfaction of the Issuer's obligations under such Credit Security.

(c) **Miscellaneous provisions relating to Redemption**

Any amount payable under Credit Security Condition 2(c) shall be rounded downwards to the nearest sub-unit of the relevant currency.

3. Interest

(a) **Cessation of Interest Accrual**

Upon the occurrence of a Credit Event Determination Date in respect of the Reference Entity, interest shall cease to accrue with effect from, and including, either:

(i) the Interest Payment Date immediately preceding such Credit Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date); or

(ii) if so specified in the applicable Final Terms, such Credit Event Determination Date.

(b) **Interest following Scheduled Maturity**

Subject always to Credit Security Condition 3(a), if an Extension Notice has been given, no interest will accrue on each Credit Security which is outstanding from, and including, the Maturity Date or Redemption Date (as applicable) to, and including, the related Credit Security Settlement Date.

(c) **Interest Payment Dates**

If the Credit Securities are redeemed pursuant to the W&C Security Conditions or the Note Conditions as applicable or these Credit Security Conditions, the Redemption Date, or the Maturity Date, the Credit Security Settlement Date (if not the Redemption Date or the Maturity Date) or the Cash Settlement Date, as the case may be, shall be an Interest Payment Date in respect of each Credit Security and the Issuer shall pay any interest that has accrued (and is unpaid) in respect of each Credit Security on such Interest Payment Date.

(d) **General**

For the avoidance of doubt, this Credit Security Condition 3 shall apply only where the Final Terms specify that the Credit Securities bear interest.

4. Event Determination Date

An "**Event Determination Date**" will occur upon the Calculation Agent delivering to the Issuer a Credit Event Notice.

5. Miscellaneous Provisions relating to Credit Certificates and Notes

(a) **Hedge Counterparty**

The Issuer will procure that the Hedge Counterparty uses reasonable endeavours to obtain from the Reference Entity payment of the amount specified in the Unwind Notice and all amounts standing to the credit of the Deposit.

(b) **Determinations of the Calculation Agent**

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Credit Securities shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the Holders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Unless otherwise expressly stated, the Calculation Agent is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor (if applicable) shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

(c) **Delivery of Notices**

As soon as reasonably practicable after receiving a Credit Event Notice or Extension Notice from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs the Holders in accordance with W&C Security Condition 10 or Note Condition 16, as applicable.

6. Definitions

The following definitions shall apply to the Credit Securities.

"**Bankruptcy**" means the Reference Entity:

(i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(iii) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;

(iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;

(v) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or

(viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii).

"**BNP Paribas Group**" means BNP Paribas and its consolidated subsidiaries.

"**Cash Settlement Date**" means the date falling three Business Days (or such other number of days specified in the applicable Final Terms) after the Credit Event Valuation Date.

"**Credit Derivatives Determinations Committee**" means each committee established by ISDA for the purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over the counter markets, as more fully described in the Rules.

"**Credit Event**" means the occurrence of a Bankruptcy with respect to the Reference Entity or a Failure to Pay.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into the Reference Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to the Reference Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**Credit Event Determination Date**" means the first date on which a Credit Event Notice is effective.

"**Credit Event Notice**" means an irrevocable notice from the Calculation Agent to the Issuer that describes a Credit Event that occurred on or after the Trade Date and on or prior to the earlier of (i) if Automatic Early Redemption Event is specified as applicable in the Final Terms, the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event has occurred and (ii) the day falling two Business Days prior to the Credit Security Settlement Date.

"**Credit Event Settlement Amount**" means an amount per Security subject to a minimum of zero, equal to:

NA × (Security Value – Redemption Adjustment).

"**Credit Event Valuation Date**" means any Business Day from, and including the Credit Event Determination Date to, and including, the Credit Event Valuation Period End Date as selected by the Calculation Agent in its sole discretion (such period, the "**Credit Event Valuation Period**") provided that the Credit Event Valuation Date may be postponed where the Valuation Extension Condition is satisfied, in which case the Credit Event Valuation Date will be any Business Day from, and including the Credit Event Determination Date to, and including, the last Business Day of the Extended Valuation Period, as selected by the Calculation Agent in its sole discretion.

"**Credit Event Valuation Period End Date**" means, unless specified otherwise in the applicable Final Terms, the day falling 180 Business Days following the Credit Event Determination Date.

"**Credit Security Settlement Date**" means:

(a) the Maturity Date or Redemption Date, as applicable; or

(b) where the Issuer, having received from the Calculation Agent an Extension Notice in relation to the Reference Entity, delivers it to the Holders on or prior to the day falling three Business Days prior to the Maturity Date or Redemption Date, as applicable, the Extended Redemption Date.

"**DC Resolution**" has the meaning given to it in the Rules.

"**Distributor**" means the Reference Entity.

"**Extended Redemption Date**" means the date that is five Business Days following the later of:

(a) the Maturity Date or Redemption Date, as applicable where paragraph (a) of the definition of "Extension Notice" applies; and

(b) the last day of the Grace Period where paragraph (b) of the definition of "Extension Notice" applies.

"**Extension Notice**" means a notice delivered by the Calculation Agent to the Issuer stating that (a) without prejudice to sub-paragraph (b), a Credit Event has occurred or may occur on or prior to the Maturity Date or

Redemption Date, as applicable or (b) a Potential Failure to Pay has occurred or may occur on or prior to the Maturity Date or Redemption Date, as applicable.

"**Extended Valuation Period**" means the period from, and including the Credit Event Determination Date to, and including the day falling 720 calendar days (or such other day specified in the applicable Final Terms) following the Credit Event Determination Date.

"**Failure to Pay**" means, after the expiration of the Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under the Reference Obligation in accordance with the terms of such Reference Obligation at the time of such failure.

"**Final Price**" means the amount expressed as a percentage of the Reference Obligation Notional Amount (as at the date the Credit Event occurred) equal to:

(a) (i) the amount received by the Hedge Counterparty from the Reference Entity in relation to the Reference Obligation in the period from, and including, the day on which the relevant Credit Event occurred to, and including, the last day in the Credit Event Valuation Period; or

(ii) if the Hedge Counterparty in its sole discretion acting in a commercially reasonable manner elects to transfer its rights in respect of the Reference Obligation to a third party (which may be an affiliate of the Hedge Counterparty) on an arm's length basis and the Hedge Counterparty effects a transfer of such rights on or prior to the last day in the Credit Event Valuation Period, the amount received from the third party to which the Hedge Counterparty has been able to transfer its rights related to the Reference Obligation less any costs or expenses incurred in or relating to such transfer;

(b) where the Valuation Extension Condition is satisfied, the amount paid by the Reference Entity to the Hedge Counterparty in relation to the Reference Obligation on or prior to the last Business Day of the Extended Valuation Period; and

(c) if no amount has been paid to the Hedge Counterparty by the Reference Entity on or prior to the last day of the Credit Event Valuation Period or, if the Valuation Extension Condition is satisfied, the last Business Day of the Extended Valuation Period and the Hedge Counterparty has not transferred its rights related to the Reference Obligation to a third party on or prior to the last day of the Credit Event Valuation Period, the Final Price shall be deemed to be equal to zero.

For the avoidance of doubt, the Final Price as determined in accordance with sub-paragraphs (a) and (b) may be deemed to be equal to zero.

If "Zero Recovery" is specified as applicable in the Final Terms, the Final Price shall be zero.

"**Grace Period**" means the period of 15 Business Days (or such other period specified in the Final Terms) from the date on which an Unwind Notice has been delivered to the Reference Entity.

"**Hedge Counterparty**" means, unless specified otherwise in the applicable Final Terms, BNP Paribas Arbitrage S.N.C.

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

"**NA**" means the Notional Amount.

"**Non Recovered Loss**" means an amount expressed as a percentage calculated in accordance with the following formula:

RONA × (100% – Final Price).
ONA

"**Outstanding Notional Amount**" or "**ONA**" means the outstanding notional amount of all issued Certificates which have not been redeemed or are not held by an entity in the BNP Paribas Group.

"**Payment Requirement**" means EUR 1 (or such other amount specified in the applicable Final Terms).

"**Potential Failure to Pay**" means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement in respect of the Reference Obligation, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Obligation, in accordance with the terms of the Reference Obligation at the time of such failure.

"**Redemption Adjustment**" means the aggregate of (i) any costs expressed as a percentage of the Outstanding Notional Amount payable by the Hedge Counterparty, the Issuer or any of its Affiliates to unwind or terminate any hedging transaction or hedging positions related to the Certificates and (ii) any Non Recovered Loss on the Reference Obligation.

"**Reference Obligation**" means a cash deposit by the Hedge Counterparty (the "**Deposit**") with the Reference Entity in an amount equal to the Reference Obligation Notional Amount from time to time.

"**Reference Obligation Notional Amount**" or "**RONA**" means an amount placed on deposit with the Reference Entity by the Hedge Counterparty upon issue of the Securities, as reduced by an amount equal to any withdrawals made by the Hedge Counterparty from the Deposit from time to time or increased by any cash transfers made by the Hedge Counterparty into the Deposit from time to time.

"**Reference Entity**" means the party specified as such in the applicable Final Terms and any Successor thereto.

"**Rules**" means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"**Security Value**" means the fair market value of the Security immediately prior to the occurrence of the Credit Event expressed as a percentage of the Notional Amount of the Security as determined by the Calculation Agent and, in respect of such determination, that the Calculation Agent shall ignore the credit-linked component and credit linked provisions of the Security for the purposes of such valuation.

"**Succession Event**" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement;

"**Successor**" means any direct or indirect successor to the Reference Entity which assumes the Reference Obligation following a Succession Event in respect of the Reference Entity or, if there is more than one such successor entity, the successor entity which assumes the highest proportion of the outstanding balance of the Reference Obligation as determined by the Calculation Agent, provided that if more than one successor entity assumes such highest proportion of such Reference Obligation, the successor entity shall be determined by the Calculation Agent acting in a commercially reasonable manner.

"**Unwind Notice**" means a notice to the Reference Entity requesting the withdrawal of all or any part of the amounts standing to the credit of the Deposit.

"**Valuation Extension Condition**" means (i) the transfer of the Hedge Counterparty's rights relating the Reference Obligation has not been possible on or prior to the last day in the Credit Event Valuation Period, (ii) no amount has yet been received by the Hedge Counterparty from the Reference Entity in respect of the Reference Obligation on or prior to the last day in the Credit Event Valuation Period and (iii) the Hedge Counterparty determines that the Final Price is likely to be higher than zero if there is an Extended Valuation Period and the Credit Event Valuation Date is postponed and it notifies the Calculation Agent accordingly.

ANNEX 11

ADDITIONAL TERMS AND CONDITIONS FOR OET CERTIFICATES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Certificates specified in the applicable Final Terms as OET Certificates shall comprise the terms and conditions of the W&C Securities (the "**W&C Security Conditions** ") and the additional Terms and Conditions for OET Certificates set out below (the "**OET Certificate Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the W&C Security Conditions and (ii) the OET Certificate Conditions, the OET Certificate Conditions shall prevail.

1. Definitions

"**Automatic Early Redemption Amount**" means an amount in the Settlement Currency equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Certificate pursuant to OET Certificate Condition 2.

The Automatic Early Redemption Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

"**Automatic Early Redemption Event**" or "**Stop Loss Event**" means that, as determined by the Calculation Agent, at the Observation Time(s) on an Automatic Early Redemption Valuation Date (the "**Relevant Automatic Early Redemption Valuation Date**"):

(a) with respect to an OET Call Certificate, the Observation Price is less than or equal to the applicable Security Threshold; or

(b) with respect to an OET Put Certificate, the Observation Price is greater than or equal to the applicable Security Threshold;

"**Automatic Early Redemption Valuation Date**" means each Relevant Business Day from (and including) the Commencement Date (notwithstanding the occurrence of (in the case of Index OET Certificates, Share OET Certificates, ETI OET Certificates or Currency OET Certificates) a Disrupted Day, (in the case of Commodity OET Certificates, a Commodity Disrupted Day or (otherwise) a Market Disruption Event);

"**Capitalised Exercise Price**" or "**CEP_t**" or "**Financing Level**" means, in respect of a calendar day (day_t), an amount calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360}$$

Except that:

(a) with respect to Share OET Certificates, ETI OET Certificates and Index OET Certificates (where dividends on the Index Shares (as defined below) are not reinvested in the relevant Index), and where day_t is an Ex-Dividend Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} - \text{Dividend Adjustment Amount}$$

(b) with respect to Rolling Futures Contract Securities, and where day_t is a Futures Rollover Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} + \text{Futures Rollover Adjustment Amount}$$

for the purposes of this definition:

"**CEP_{t-1}**" means the Capitalised Exercise Price applicable on day_{t-1}, provided that the Capitalised Exercise Price applicable on the Commencement Date shall be equal to the Exercise Price;

"**Dividend Adjustment Amount**" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to:

(a) with respect to OET Call Certificates, (i) the sum of the cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share) related to such Ex-Dividend Date net of applicable withholding taxes multiplied by (ii) the Dividend Percentage; or

(b) with respect to OET Put Certificates, (i) the sum of the cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share) related to such Ex-Dividend Date multiplied by (ii) the Dividend Percentage;

"**Dividend Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Exercise Price**" means the price specified as such in the applicable Final Terms;

"**$\text{Financing Rate}_{t-1}$**" means, the Financing Rate applicable on day_{t-1};

"**Futures Rollover Adjustment Amount**" means an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* amongst the Certificates.

The Capitalised Exercise Price will be made available (subject to technical failure) during normal business hours on any Local Business Day during the term of the OET Certificates, on the OET Website(s) specified in the applicable Final Terms or such other website as may be notified to the Holders;

"**Commencement Date**" means the Issue Date or such other date specified as such in the applicable Final Terms;

"**Conversion Rate**" means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived) between the currency of the relevant Underlying Reference and the Settlement Currency, as specified as such in the applicable Final Terms on such day;

"**Ex-Dividend Date**" means, with respect to a Share, ETI Interest (in respect of which a dividend is paid) or share comprising an Index (an "**Index Share**"), the date on which such Share, ETI Interest or Index Share becomes "ex-dividend" as determined by the Calculation Agent;

"**Final Price**" or "**Final Reference Price**" means the Settlement Price or, in the case of Commodity Securities, the Relevant Price on the Valuation Date or Optional Redemption Valuation Date, as applicable;

"**Final Price Early**" or "**Stop-Loss Termination Reference Price**" means the price of the relevant Underlying Reference, determined by the Calculation Agent on the basis of the price obtained by unwinding any underlying related hedging arrangements in respect of the relevant OET Certificates during the three-hour period immediately following the occurrence of the relevant Automatic Early Redemption Event, provided that (i) the Final Price Early in respect of an OET Call Certificate will be no lower than the lowest Observation Price and (ii) the Final Price Early in respect of an OET Put Certificate will be no greater than the highest Observation Price, in each case determined by the Calculation Agent during such three-hour period, or otherwise, during the opening hours of the relevant Exchange. With respect to OET Certificates relating to an Index, Share or ETI Interest, the above-mentioned three-hour period shall be counted during the opening hours of the relevant Exchange. Accordingly, if the period between the occurrence of the Automatic Early Redemption Event and the official closing time of the relevant Exchange is less than three hours, then the observation period shall extend to the following Relevant Business Day, until a full period of three hours has passed since the occurrence of the Automatic Early Redemption Event. With respect to Currency OET Certificates and Commodity OET Certificates, if a period during a Relevant Business Day is specified in the applicable Final Terms as the Observation Time and the period between the occurrence of the Automatic Early Redemption Event and the end of that period is less than the above mentioned three-hour period, then the observation period shall extend to the following Relevant Business Day beginning at 8:00 am (CET time) until a full period of three hours has passed since the occurrence of the Automatic Early Redemption Event;

"**Financing Rate**" means, if applicable, in respect of a calendar day (day_t), the rate calculated as

Financing Rate Percentage + Interbank Rate 1 – Interbank Rate 2.

For the avoidance of doubt, the Financing Rate may be negative;

"**Financing Rate Percentage**" or "**Financing Spread**" means, in the case of OET Call Certificates, the positive rate and, in the case of OET Put Certificates, the negative rate, specified in the applicable Final Terms Provided that the Calculation Agent may, in its sole and absolute discretion, select an alternative rate which must be within the Financing Rate Range;

"**Financing Rate Range**" means the range specified as such in the applicable Final Terms;

Interbank Rate 1 means the offered quotation which appears on the Interbank Rate 1 Screen Page at the Interbank Rate 1 Specified Time on day_t as determined by the Calculation Agent. In the event that the Interbank Rate 1 Screen Page is not available or no such offered quotation appears, the Calculation Agent will determine the Interbank Rate 1 as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner;

Interbank Rate 1 Screen Page means the source specified in the applicable Final Terms;

Interbank Rate 1 Specified Time means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 1 is published;

Interbank Rate 2 means the offered quotation which appears on the Interbank Rate 2 Screen Page at the Interbank Rate 2 Specified Time on day_t as determined by the Calculation Agent. In the event that the Interbank Rate 2 Screen Page is not available or no such offered quotation appears, the Calculation Agent will determine the Interbank Rate 2 as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner;

Interbank Rate 2 Screen Page means the source specified in the applicable Final Terms;

Interbank Rate 2 Specified Time means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 2 is published;

"**Local Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Local Business Day Centre(s) specified in the applicable Final Terms;

"**Observation Price**" means the "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price" as specified in the applicable Final Terms, of the Underlying Reference published by the Observation Price Source as determined by the Calculation Agent at the Observation Time(s);

"**Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**Observation Time(s)**" means the time(s) or period(s) of observation specified as such in the applicable Final Terms;

"**Parity**" or "**Ratio**" means the number specified as such in the applicable Final Terms;

"**Relevant Business Day**" means, unless otherwise specified in the applicable Final Terms, an Exchange Business Day (in respect of OET Certificates other than Commodity OET Certificates, Currency OET Certificates or OET Certificates relating to a Custom Index), a Custom Index Business Day (in respect of Custom Index Securities), a Commodity Business Day (in respect of Commodity Securities) or a Scheduled Trading Day (in respect of Currency Securities), as applicable;

"**Reset Date**" means, unless otherwise specified in the applicable Final Terms, each calendar day in the period from and excluding the Issue Date to and including the Redemption Date;

"**Security Percentage**" or "**Stop-Loss Buffer**" means the percentage specified as such in the applicable Final Terms. The Security Percentage may be adjusted by the Calculation Agent on each Reset Date in order to take into account changes in market conditions (including, in particular, volatility), provided that the adjusted Security Percentage (a) unless the Security Percentage is equal to zero, falls between the "Minimum Security Percentage" and the "Maximum Security Percentage" specified in the applicable Final Terms and (b) does not trigger the occurrence of an Automatic Early Redemption Event;

"**Security Threshold**" or "**Stop-Loss Level**" means the amount calculated as follows by the Calculation Agent and rounded upwards or downwards in accordance with the Security Threshold Rounding Rule specified in the applicable Final Terms:

(a) in the case of OET Call Certificates, an amount equal to the product, rounded in accordance with the Security Threshold Rounding Rule specified in the applicable Final Terms, of (i) the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, plus the Security Percentage; and

(b) in the case of OET Put Certificates, an amount equal to the product, rounded in accordance with the Security Threshold Rounding Rule, (i) of the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, minus the Security Percentage,

which, in each case, is available (subject to technical problems) during normal business hours on any Local Business Day during the term of the relevant OET Certificates on the OET Website(s) specified in the applicable Final Terms or such other website as may be notified to the Holders;

"**Settlement Currency**" means Euro, unless otherwise specified in the applicable Final Terms;

"**Underlying Reference**" means the relevant Index, Share, ETI Interest, Commodity, Subject Currency, Debt Instrument or other basis of reference to which the relevant Certificates relate, as specified in the Product Specific Provisions of the applicable Final Terms; and

"**Valuation Date**" means:

(a) the date designated as such by the Issuer, in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with W&C Security Condition 10 at the latest on the tenth (10th) Relevant Business Day preceding the contemplated Valuation Date or, if such date is not a Relevant Business Day, the next following Relevant Business Day. Other than in the case of Commodity OET Certificates, the provisions of (a)(i) or (a)(ii), as applicable, of the definition of "Valuation Date" in W&C Security Condition 27 shall apply if any such day is a Disrupted Day and, in the case of Commodity OET Certificates, the provisions of the definition of "Pricing Date" in the Commodity Security Conditions will apply if such day is a Commodity Disrupted Day; or

(b) if Automatic Early Redemption is specified as being applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Relevant Automatic Early Redemption Valuation Date or if such date is not a Relevant Business Day, the next following Relevant Business Day,

in each case, subject to adjustment in accordance with the relevant Conditions.

If (i) the Issuer designates a date as being the Valuation Date in accordance with these Terms and Conditions and (ii) an Automatic Early Redemption Event occurs after such designation but prior to the designated Valuation Date, then the Valuation Date shall be deemed to be the Relevant Automatic Early Redemption Valuation Date as determined pursuant to this definition.

2. Automatic Early Redemption

If "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the date falling the number of Business Days specified in the applicable Final Terms following the Valuation Date (the "**Automatic Early Redemption Date**") and the amount payable by the Issuer upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

USE OF PROCEEDS

The net proceeds from each issue of Securities will become part of the general funds of BNPP B.V. or BNPP, as the case may be. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

FORM OF THE BNPP ENGLISH LAW GUARANTEE FOR NOTES

THIS DEED OF GUARANTEE is made on 8 October 2015 by BNP Paribas ("**BNPP**") in favour of the Noteholders and the Accountholders (each as defined below) (together, the "**Beneficiaries**").

WHEREAS:

(A) BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNPP have established a Note, Warrant and Certificate Programme (the "**Programme**"). BNPP has authorised the giving of its irrevocable guarantee in relation to the notes issued by BNPP B.V under the Programme (the "**Notes**").

(B) BNPP and BNPP B.V. have, in relation to the notes issued under the Programme, entered into an Note Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated on or around 8 October 2015 between, *inter alios*, BNPP B.V., BNPP, BNP Paribas Securities Services, Paris, Succursale de Zurich as agent and BNP Paribas Arbitrage S.N.C. as calculation agent.

(C) BNPP, and BNPP B.V have, *inter alia*, in relation to the notes issued under the Programme, executed a deed of covenant (as amended, supplemented and/or restated from time to time, the "**Deed of Covenant**").

(D) BNPP has agreed to irrevocably guarantee the payment and delivery obligations from time to time of BNPP B.V. in respect of the Notes and under the Deed of Covenant.

NOW THIS DEED WITNESSES as follows:

1. Definitions and Interpretation

"**Accountholder**" means any accountholder or participant with SIS which at the Relevant Date has credited to its securities account with such SIS one or more entries in respect of a Global Note issued by BNPP B.V., except for any clearing system in its capacity as an accountholder of another Clearing System;

"**Direct Rights**" means the rights referred to in Clause 2 of the Deed of Covenant;

"**Noteholder**" means, in relation to any Note, at any time the person who is the bearer of such Note;

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

"**Relevant Date**" means, in relation to the payment of any sum or delivery of assets expressed to be payable or deliverable by BNPP B.V. in respect of a Note, whichever is the later of:

(a) the date on which the payment or delivery in question first become due; and

(b) if the full amount payable or deliverable has not been received by the Agent on or prior to such date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

"**SIS**" means SIX Swiss Ltd.

Terms defined in the Terms and Conditions of the Notes, as amended by the applicable Final Terms (the "**Conditions**") and/or the Agency Agreement and not otherwise defined in this Deed of Guarantee shall have the same meanings when used in this Guarantee.

Any reference in this Deed of Guarantee to:

(i) any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to Clause 2 of the Deed of Covenant; and

(ii) any obligation of, or sums or amounts payable by, BNPP B.V. shall be construed to refer to:

(A) (in the event of a bail-in of BNPP B.V.), such obligations, sums and/or amounts as reduced or otherwise modified from time to time resulting from the application of a bail-in by any relevant authority; or

(B) (in the event of a bail-in of BNPP), such obligations, sums and/or amounts as reduced by reference to, and in the same proportion as, any such reduction or modification applied to securities issued by BNPP following the application of a bail-in of BNPP by any relevant authority.

2. Guarantee

Subject as provided below, BNPP hereby irrevocably and unconditionally guarantees:

(a) to each Noteholder the due and punctual payment of all sums from time to time payable or performance of any other obligation by BNPP B.V. in respect of the Notes on the date specified for such payment or performance and accordingly undertakes to either (i) pay to such Noteholder, forthwith upon the demand of such Noteholder and in the manner and currency prescribed by the Conditions for payments by BNPP B.V. in respect of the Notes, any and every sum or sums which BNPP B.V. is at any time liable to pay in respect of the Notes and which BNPP B.V. has failed to pay or (ii) perform such other obligation for the benefit of such Noteholder which BNPP B.V. has failed to perform on the due date for such performance after a demand has been made on BNPP pursuant to Clause 10 hereof; and

(b) to each Accountholder the due and punctual payment of all sums from time to time payable or performance of any other obligation by BNPP B.V. in respect of the Direct Rights on the date specified for such payment or performance and accordingly undertakes to either (i) pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by BNPP B.V. in respect of the Notes, any and every sum or sums which BNPP B.V. is at any time liable to pay in respect of the Notes and which BNPP B.V. has failed to pay or (ii) perform such other obligation for the benefit of the Accountholder which BNPP B.V. has failed to perform on the due date for such performance after a demand has been made on BNPP pursuant to Clause 10 hereof,

PROVIDED THAT in the case of Notes (other than Credit Notes) where the obligations of BNPP B.V. which fall to be satisfied by BNPP constitute the delivery of the Entitlement if in the opinion of BNPP such delivery is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 4(b)(i)(C)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 4(b)(i)(D)), in lieu of such delivery BNPP will make payment in respect of each such Note of, in the case of (x) above, the Disruption Cash Redemption Amount (as defined in Condition 4(b)(i)(C)) or in the case of (y) above, the Failure to Deliver Redemption Amount (as defined in Condition 4(b)(i)(D)). Any payment of the Disruption Cash Redemption Amount or the Failure to Deliver Redemption Amount, as the case may be, in respect of a Note shall constitute a complete discharge of BNPP's obligations in respect of the delivery of the Relevant Assets affected by the Settlement Disruption Event or Failure to Deliver due to Illiquidity, as the case may be.

3. Taxation

Unless the applicable Final Terms specify that Condition 6.2 is applicable to the Notes, the Guarantor covenants in favour of each Noteholder that it will duly perform and comply with the obligations expressed to be undertaken

by it in Condition 6.1. In particular, if in respect of any payment to be made under this Deed of Guarantee, any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature is payable, the Guarantor shall pay the additional amounts referred to in Condition 6.1, all subject to and in accordance with the provisions of Condition 6.1.

4. BNPP as Principal Obligor

As between BNPP and each Beneficiary but without affecting BNPP B.V.'s obligations, BNPP will be liable under this Deed of Guarantee as if it were the sole principal obligor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (1) any time, indulgence, waiver or consent at any time given to BNPP B.V. or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on BNPP B.V. or any other person for payment or performance of any other obligation in respect of any Note, (4) the enforcement or absence of enforcement of any Note or of any security or other guarantee or indemnity, (5) the taking, existence or release of any such security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of BNPP B.V. or any other person, or (7) the illegality, invalidity or unenforceability of or any defect in any provision of the Conditions, the Agency Agreement or any of BNPP B.V''s obligations under any of them). BNPP will not raise any objections or defence against a request for payment by the Noteholders which may otherwise be available to BNPP B.V. under the documents giving rise to the relevant obligations of BNPP B.V. (except that BNPP may raise the defence of fraud on the part of any Noteholder).

5. BNPP's Obligations Continuing

BNPP's obligations under this Deed of Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable and no other obligation remains to be performed under any Note. Furthermore, those obligations of BNPP are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from BNPP or otherwise and may be enforced without first having recourse to BNPP B.V., and other person, any security or any other guarantee or indemnity. BNPP irrevocably waives all notices and demands of any kind.

6. Status

This Deed of Guarantee shall constitute direct, unconditional, unsecured and unsubordinated obligations of BNPP and ranks and will rank *pari passu* with the French Law Guarantee and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of BNPP (save for statutorily preferred exceptions).

7. Exercise of BNPP's rights

So long as any sum remains payable under any Note or this Deed of Guarantee, BNPP shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Deed of Guarantee, to be indemnified by BNPP B.V. or to take the benefit of or enforce any security or other guarantee or indemnity.

8. Discharge by BNPP B.V.

If any payment received by, or other obligation discharged to or to the order of, any Noteholder is, on the subsequent bankruptcy or insolvency of BNPP B.V., avoided under any laws relating to bankruptcy or insolvency, such payment or obligation will not be considered as having discharged or diminished the liability of BNPP and this Deed of Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by BNPP B.V.

9. Indemnity

As a separate and alternative stipulation, BNPP unconditionally and irrevocably agrees:

(a) that any sum or obligation which, although expressed to be payable or deliverable under the Notes, is for any reason (whether or not now existing and whether or not now known or becoming known to BNPP B.V., BNPP or any Noteholder) not recoverable from BNPP on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal obligor and will be paid or performed by it in favour of the Noteholder on demand; and

(b) as a primary obligation to indemnify each Beneficiary against any loss suffered by it as a result of any sum or obligation expressed to be payable or deliverable under the Notes not being paid or performed by the time, on the date and otherwise in the manner specified in the Notes or any obligation of BNPP B.V. under the Notes being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not known or becoming known to BNPP B.V., BNPP or any Beneficiary), in the case of a payment obligation the amount of that loss being the amount expressed to be payable by BNPP B.V. in respect of the relevant sum,

PROVIDED THAT the proviso to Clause 2 of this Guarantee shall apply mutatis mutandis to this Clause 9.

10. Incorporation of Terms

BNPP agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

11. Deposit of Guarantee

This Deed of Guarantee shall be deposited with and held by BNP Paribas Securities Services, Luxembourg for the benefit of the Beneficiaries.

12. Demand on BNPP

Any demand hereunder shall be given in writing addressed to BNPP served at its office at CIB Legal, 3 rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made two Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made two Paris Business Days after the Paris Business Day immediately following such day.

13. Governing law

This Deed of Guarantee and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law.

14. Jurisdiction

The courts of England shall have exclusive jurisdiction to settle any disputes arising out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection herewith.

15. Service of Process

The Guarantor irrevocably appoints its London branch at its registered office at 10 Harewood Avenue, London NW1 6AA, as its agent under this Guarantee for service of process in any proceedings before the English courts

in relation to any Dispute and agrees that, in the event of its London branch being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this clause shall affect the right to serve process in any other manner permitted by law.

16. Waiver of trial by jury

WITHOUT PREJUDICE TO CLAUSE 12, THE GUARANTOR WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THE NOTES. THIS GUARANTEE MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

17. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Executed as a Deed

By BNP PARIBAS)
acting by)
acting under the authority)
of that company)

IN WITNESS whereof this Deed of Guarantee has been executed and delivered by

BNP Paribas as a deed on the date first above-mentioned.

Witness's signature:

Name:

Address:

FORM OF THE ENGLISH LAW GUARANTEE IN RESPECT OF W&C SECURITIES

THIS GUARANTEE is made by way of deed on 8 October 2015 by BNP Paribas ("**BNPP**") in favour of the holders for the time being of the Securities (as defined below) (each a "**Holder**").

WHEREAS:

BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNPP have established a Warrant and Certificate Programme (the "**Programme**") under which, *inter alia*, BNPP B.V. may from time to time issue unsecured warrants and certificates governed by English law (the "**Securities**") of any kind including, but not limited to, those relating to a specified index or a basket of indices, a specified share, preference share, GDR or ADR or a basket of shares, GDRs and/or ADRs, a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified debt instrument or basket of debt instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, a specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units or Credit Securities, Open End Certificates or Turbo Open End Certificates. BNPP intends to guarantee the obligations of BNPP B.V. under the Securities.

The Securities may be issued pursuant to (a) an Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated 8 October 2015 between, *inter alia*, BNPP B.V. and BNPP, BNP Paribas Securities Services, Paris, Succursale de Zurich or (b) any other agency or analogous agreement entered into by BNPP and/or BNPP B.V. from time to time.

Terms defined in the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the "**Conditions**") and not otherwise defined in this Deed of Guarantee shall have the same meanings when used in this Guarantee.

Any reference in this Guarantee to any obligations or sums or amounts payable under or in respect of the Securities by BNPP B.V. shall be construed to refer to (if applicable):

(a) (in the event of a bail-in of BNPP B.V.), such obligations, sums and/or amounts as reduced or otherwise modified from time to time resulting from the application of a bail-in of BNPP B.V. by any relevant authority; or

(b) (in the event of a bail-in of BNPP), such obligations, sums and/or amounts as reduced by reference to, and in the same proportion as, any such reduction or modification applied to securities issued by BNPP following the application of a bail-in of BNPP by any relevant authority.

In respect of all Securities issued on or after the date of this Guarantee, this Guarantee replaces the guarantee dated 9 October 2014 granted by the Guarantor in respect of Securities issued under the Programme.

NOW THIS DEED WITNESSES as follows:

1. Guarantee

Subject as provided below, BNPP unconditionally and irrevocably guarantees by way of deed poll to each Holder that, if for any reason BNPP B.V. does not pay any sum payable by it or perform any other obligation in respect of any Security on the date specified for such payment or performance BNPP will, in accordance with the Conditions pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance. In case of the failure of BNPP B.V. to satisfy such obligations as and when the same become due, BNPP hereby undertakes to make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligation after a demand has been made on BNPP pursuant to Clause 8 hereof PROVIDED THAT in the case of Securities other than Credit Securities (A) in the case of Physical Delivery Securities where BNPP B.V. has the obligation, pursuant to the terms and conditions of

the relevant Security, to deliver the Entitlement, notwithstanding that BNPP B.V. had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Securities of an amount equal to the Guaranteed Cash Settlement Amount (as defined in the Conditions) and (B) in the case of Securities where the obligations of BNPP B.V. which fall to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, BNPP will as soon as practicable following BNPP B.V.'s failure to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (i) a Settlement Disruption Event (as defined in Condition 5.1) or (ii) a Failure to Deliver due to Illiquidity (as defined in Condition 5.2) (if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (i) above, the Guaranteed Cash Settlement Amount or, in the case of (ii) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security.

2. BNPP as Principal Obligor

As between BNPP and the Holder of each Security but without affecting BNPP B.V.'s obligations, BNPP will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (1) any time, indulgence, waiver or consent at any time given to BNPP B.V. or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on BNPP B.V. or any other person for payment or performance of any other obligation in respect of any Security, (4) the enforcement or absence of enforcement of any Security or of any security or other guarantee or indemnity, (5) the taking, existence or release of any such security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of BNPP B.V. or any other person, or (7) the illegality, invalidity or unenforceability of or any defect in any provision of the Conditions, the Agency Agreement or any of BNPP B.V.'s obligations under any of them). BNPP will not raise any objections or defence against a request for payment by the Holders which may otherwise be available to BNPP B.V. under the documents giving rise to the relevant obligations of BNPP B.V. (except that BNPP may raise the defence of fraud on the part of any Holder).

3. BNPP's Obligations Continuing

BNPP's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable and no other obligation remains to be performed under any Security (in the case where the relevant Security is a Warrant, subject to its exercise). Furthermore, those obligations of BNPP are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from BNPP or otherwise and may be enforced without first having recourse to BNPP B.V., any other person, any security or any other guarantee or indemnity. BNPP irrevocably waives all notices and demands of any kind.

4. Status

This Guarantee shall constitute an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject to such exceptions as may from time to time be mandatory under French law.

5. Exercise of BNPP's rights

So long as any sum remains payable under any Security or this Guarantee, BNPP shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by BNPP B.V. or to take the benefit of or enforce any security or other guarantee or indemnity.

6. Discharge by BNPP B.V.

If any payment received by, or other obligation discharged to or to the order of, the Holder of any Security is, on the subsequent bankruptcy or insolvency of BNPP B.V., avoided under any laws relating to bankruptcy or insolvency, such payment or obligation will not be considered as having discharged or diminished the liability of BNPP and this Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by BNPP B.V.

7. Indemnity

As a separate and alternative stipulation, BNPP unconditionally and irrevocably agrees (1) that any sum or obligation which, although expressed to be payable or deliverable under the Securities, is for any reason (whether or not now existing and whether or not now known or becoming known to BNPP B.V., BNPP or any Holder) not recoverable from BNPP on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal obligor and will be paid or performed by it in favour of the Holder on demand and (2) as a primary obligation to indemnify each Holder against any loss suffered by it as a result of any sum or obligation expressed to be payable or deliverable under the Securities not being paid or performed by the time, on the date and otherwise in the manner specified in the Securities or any obligation of BNPP B.V. under the Securities being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not known or becoming known to BNPP B.V., BNPP or any Holder), in the case of a payment obligation the amount of that loss being the amount expressed to be payable by BNPP B.V. in respect of the relevant sum, PROVIDED THAT the proviso to Clause 2 of this Guarantee shall apply mutatis mutandis to this Clause 7.

8. Incorporation of Terms

BNPP agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

9. Deposit of Guarantee

This Guarantee shall be deposited with and held by BNP Paribas Securities Services, Paris, Succursale de Zurich for the benefit of the Holders.

10. Demand on BNPP

Any demand hereunder shall be given in writing addressed to BNPP served at its office at CIB Legal, 3 rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made two Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made two Paris Business Days after the Paris Business Day immediately following such day.

11. Governing law

This Guarantee and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law.

12. Jurisdiction

The courts of England shall have exclusive jurisdiction to settle any disputes arising out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection herewith.

13. Service of Process

The Guarantor irrevocably appoints its London branch at its registered office at 10 Harewood Avenue, London NW1 6AA, as its agent under this Guarantee for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of its London branch being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this clause shall affect the right to serve process in any other manner permitted by law.

14. Waiver of trial by jury

WITHOUT PREJUDICE TO CLAUSE 10, THE GUARANTOR WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THE SECURITIES. THIS GUARANTEE MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

15. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of any person which exists or is available from that Act.

Executed as a Deed

By BNP PARIBAS	)
acting by	)
acting under the authority	)
of that company	)

IN WITNESS whereof this Guarantee has been executed and delivered by BNP Paribas as a deed on the date first above-mentioned.

Witness's signature:

Name:

Address:

FORM OF THE FRENCH LAW GUARANTEE

THIS GUARANTEE is made by BNP Paribas ("**BNPP**") in favour of the holders for the time being of the Securities (as defined below) (each a "**Holder**").

WHEREAS:

BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNPP have established a Note, Warrant and Certificate Programme (the "**Programme**") under which, *inter alia*, BNPP B.V. may from time to time issue unsecured notes, warrants and certificates governed by French law (together, the "**Securities**") of any kind including, but not limited to, those relating to a specified index or a basket of indices, a specified share, preference share, GDR or ADR or a basket of shares, GDRs and/or ADRs, a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified debt instrument or basket of debt instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, a specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units or Credit Securities, Open End Certificates or Turbo Open End Certificates. BNPP intends to guarantee the obligations of BNPP B.V. under the Securities.

The Securities may be issued pursuant to (a) an Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated 8 October 2015 between, *inter alia*, BNPP B.V., BNPP and BNP Paribas Securities Services, Paris, Succursale de Zurich or (b) any other agency or analogous agreement entered into by BNPP and/or BNPP B.V. from time to time.

Terms defined in the Terms and Conditions of the W&C Securities, as amended and/or supplemented by the applicable Final Terms (the "**W&C Conditions**") and terms defined in the Terms and Conditions of the Notes, as amended and/or supplemented by the applicable Final Terms (the "**Note Conditions**" and, together with the W&C Conditions, the "**Conditions**") and not otherwise defined in this Guarantee shall have the same meanings when used in this Guarantee.

Any reference in this Guarantee to any obligations or sums or amounts payable under or in respect of the Securities by BNPP B.V. shall be construed to refer to (if applicable):

(a) (in the event of a bail-in of BNPP B.V.), such obligations, sums and/or amounts as reduced or otherwise modified from time to time resulting from the application of a bail-in of BNPP B.V. by any relevant authority; or

(b) (in the event of a bail-in of BNPP), such obligations, sums and/or amounts as reduced by reference to, and in the same proportion as, any such reduction or modification applied to securities issued by BNPP following the application of a bail-in of BNPP by any relevant authority.

In respect of all Securities issued on or after the date of this Guarantee, this Guarantee replaces the guarantee dated 9 October 2014 granted by BNPP in respect of Securities issued under the Programme.

1. Guarantee

Subject as provided below, BNPP unconditionally and irrevocably guarantees to each Holder that, if for any reason BNPP B.V. does not pay any sum payable by it or perform any other obligation in respect of any Security on the date specified for such payment or performance BNPP will, in accordance with the relevant Conditions pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance PROVIDED THAT in the case of Securities other than Credit Securities (A) in the case of Physical Delivery Securities where BNPP B.V. has the obligation, pursuant to the terms and conditions of the relevant Security, to deliver the Entitlement, notwithstanding that BNPP B.V. had the right to vary settlement in respect of such Physical Delivery Securities in accordance with W&C Condition 5.3) and exercised such right or failed to exercise such right,

BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Securities of an amount equal to the Guaranteed Cash Settlement Amount (as defined in the W&C Conditions) and (B) in the case of Securities where the obligations of BNPP B.V. which fall to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, BNPP will as soon as practicable following BNPP B.V.'s failure to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (i) a Settlement Disruption Event (as defined, as applicable, in W&C Condition 5.1 or Note Condition 4(b)(i)(C)) or (ii) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to illiquidity (as defined, as applicable, in W&C Security Condition 5.2 or Note Condition 4(b)(i)(D)), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (i) above, in respect of Warrants and Certificates the Guaranteed Cash Settlement Amount (as defined in W&C Condition 4) in respect of Notes, the Disruption Cash Redemption Amount (as defined in Note Condition 4(b)(i)(C)) or, in the case of (ii) above, in respect of Warrants and Certificates the Failure to Deliver Settlement Price (as defined in W&C Condition 15.2) or, in respect of Notes, the Failure to Deliver Redemption Amount (as defined in Note Condition 4(b)(i)(D)). Any payment of the Guaranteed Cash Settlement Amount the Disruption Cash Redemption Amount, the Failure to Deliver Redemption Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security.

2. Joint liability of BNPP and BNPP B.V.

BNPP hereby acknowledges, absolutely and without right to claim the benefit of any legal circumstances amounting to an exemption from liability or a guarantor's defence, that it is bound by the obligations specified below. Accordingly, BNPP acknowledges that it will not be released from liability, nor will its liability be reduced, at any time, by extension or grace periods regarding payment or performance, any waiver or any consent granted to BNPP B.V. or to any other person, or by the failure of any execution proceedings brought against BNPP B.V. or any other person. Furthermore, BNPP acknowledges that (1) it will not be relieved of its obligations in the event that BNPP B.V.'s obligations become void for reasons relating to BNPP B.V.'s capacity, limitation of powers or lack thereof (including any lack of authority of persons having entered into contracts in the name, or on behalf, of BNPP B.V.), (2) its obligations under this Guarantee will remain valid and in full effect notwithstanding the dissolution, merger, takeover or reorganisation of BNPP B.V., as well as the opening of insolvency proceedings (*procédures collectives*), or any other proceedings similar to receivership or liquidation proceedings, in respect of BNPP B.V., (3) it will not avail itself of any subrogation rights in respect of the Holders' rights and that it will take no steps to enforce any rights or demands against BNPP B.V., so long as any amounts remain due; or any obligation remains unperformed, under the Securities, (4) its duties under this Guarantee will not be conditional on or subject to the validity or execution of any other security granted by BNPP B.V. or any other person to the Holders, or to the existence or creation of any security for the benefit of the Holders, and (5) neither the notification of, nor the serving of a formal request upon, BNPP B.V. or any other person is a prior condition to a payment or performance by BNPP under this Guarantee.

3. BNPP's continuing liability

BNPP's obligations under this Guarantee will remain valid and in full effect so long as any amounts remain outstanding, or any obligation remains unperformed, under the Securities.

4. Status

This Guarantee shall constitute an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject to such exceptions as may from time to time be mandatory under French law.

5. Exercise of BNPP's rights

So long as any sum remains payable under the Securities or this Guarantee, BNPP shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by BNPP B.V. or to take the benefit of or enforce any security or other guarantee or indemnity.

6. BNPP B.V. repayment

If a payment received by, or other obligation discharged to or to the order of, any Holder is declared null and void under any rule relating to insolvency proceedings (*procédures collectives*), or any other procedure similar to the receivership or liquidation of BNPP B.V., such payment or obligation will not reduce BNPP's obligations and this Guarantee will continue to apply as if such payment or obligation had always been due from BNPP B.V.

7. Conditions binding

BNPP declares (i) that it has full knowledge of the provisions of the Conditions, (ii) that it will comply with them and (iii) that it will be bound by them.

8. This Guarantee is granted by BNPP in respect of all Securities issued during a period of thirteen (13) months from the date of its signature.

9. Demand on BNPP

Any demand hereunder shall be given in writing addressed to BNPP served at its office at CIB Legal, 3 Rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made two Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made two Paris Business Days after the Paris Business Day immediately following such day.

10. Governing law and jurisdiction

This Guarantee is governed by, and shall be construed in accordance with, French law and the competent courts within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*) will be competent to settle any litigation or proceedings relating to this Guarantee.

Executed in Paris in one original, on 8 October 2015.

BNP PARIBAS

By:

DESCRIPTION OF BNP PARIBAS ARBITRAGE ISSUANCE B.V. AND BNPP

1. Name, registered office and date of incorporation

BNPP BV

(a) The legal and commercial name of the company is BNP Paribas Arbitrage Issuance B.V.

(b) BNPP B.V. is a limited liability company under Dutch law ("*besloten vennootschap met beperkte aansprakelijkheid*"), having its registered office at Herengracht 537, 1017 BV Amsterdam, The Netherlands. BNPP B.V. is incorporated in The Netherlands and registered with the Commercial Register in The Netherlands under number 33215278 (telephone number: + 31 20 5215 645).

(c) BNPP B.V. was incorporated on 10 November 1989 with unlimited duration.

BNPP

BNP Paribas is a French société anonyme incorporated in France and registered with the Registre du Commerce et des Sociétés in Paris under number 662 042 449 (APE business identifier code: 651 C), licensed to conduct banking operations under the French Monetary and Financial Code, Book V, Section 1 (Code Monétaire et Financier, Livre V, Titre 1er). The Bank was founded pursuant to a decree dated 26 May 1966. BNP Paribas is domiciled in France; its registered office is located at 16, boulevard des Italiens, - 75009 Paris, France. BNP Paribas is governed by the specific rules relating to its status as an establishment in the banking sector (Book V, Section 1 of the French Monetary and Financial Code - Code Monétaire et Financier, Livre V, Titre 1er), the provisions of the French Commercial Code (Code de Commerce) concerning commercial companies and by its Articles of Association.

The Bank's legal duration was extended on 17 September 1993 for a period of 99 years. Each financial year begins on 1 January and ends on 31 December.

2. Group Structure of the BNP Paribas Group

BNP Paribas, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It is present in 75 countries and has almost 188,000 employees, including over 147,000 in Europe.

BNP Paribas holds key positions in its two main businesses:

- **Retail Banking and Services**, which includes:
  - Domestic Markets, comprising:
    - French Retail Banking (FRB),
    - BNL banca commerciale (BNL bc), Italian retail banking,
    - Belgian retail Banking (BRB),
    - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
  - International Financial Services, comprising:
    - European-Mediterranean,

- BancWest,

- Personal Finance;

- Insurance,

- Wealth and Asset Management;

- **Corporate and Institutional Banking (CIB)** which includes:

  - Corporate Banking,

  - Global Markets,

  - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group.

3. Business Overview

BNPP BV

(i) BNPP B.V.'s objects (as set out in Article 3 of its Articles of Association) are:

(a) to borrow, lend out and collect monies, including but not limited to the issue or the acquisition of debentures, debt instruments, financial instruments such as, among others, notes, warrants and certificates of any nature, with or without indexation based on, *inter alia*, shares, baskets of shares, stock exchange indices, currencies, commodities or futures on commodities, and to enter into related agreements;

(b) to finance enterprises and companies;

(c) to establish and to in any way participate in, manage and supervise enterprises and companies;

(d) to offer advice and to render services to enterprises and companies with which the company forms a group of companies, and to third parties;

(e) to grant security, to bind the company and to encumber assets of the company for the benefit of enterprises and companies with which the company forms a group of companies, and of third parties;

(f) to acquire, manage, exploit and dispose of registered property and asset value in general;

(g) to trade in currencies, securities and asset value in general;

(h) to exploit and trade in patents, trademark rights, licences, know-how and other industrial rights of ownership;

(i) to engage in industrial, financial and commercial activities of any nature, and

all other things as may be deemed incidental or conducive to the attainment of the above objects, in the broadest sense of the word.

(ii) BNPP B.V. competes with other issuers in the issuance of financial instruments and securities.

(iii) BNPP B.V. is a BNP Paribas Group issuance vehicle, specifically involved in the issuance of structured securities, which are developed, setup and sold to investors by other companies in the group. The securities are

backed by a matching derivative contract with BNP Paribas Arbitrage S.N.C. or BNP Paribas SA ensuring a perfect match of BNPP B.V. assets and liabilities. Given the function of BNPP B.V. within the BNP Paribas Group and its asset and liabilities structure, the company generates a limited profit.

(iv) The securities issued by BNPP B.V. are sold to institutional clients, retail and high net worth individuals in Europe, Africa, Asia and Americas, either directly by BNP Paribas or through third party distributors.

BNPP

BNPP's objects (as set out in Article 3 of its Articles of Association) are:

The purpose of BNP PARIBAS shall be to provide and carry out the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable to credit institutions licensed by the Credit Institutions and Investment Firms Committee (Comité des Établissements de Crédit et des Entreprises d'Investissement):

- any and all investment services,
- any and all services related to investment services,
- any and all banking transactions,
- any and all services related to banking transactions,
- any and all equity investments,

as defined in the French Monetary and Financial Code Book III – Section 1 (Code Monétaire et Financier, Livre III, Titre 1er) governing banking transactions and Section II (Titre II) governing investment services and related services.

On a regular basis, BNP PARIBAS may also conduct any and all other activities and any and all transactions in addition to those listed above, in particular any and all arbitrage, brokerage and commission transactions, subject to compliance with the regulations applicable to banks.

In general, BNP PARIBAS may, on its own behalf, and on behalf of third parties or jointly therewith, perform any and all financial, commercial, industrial or agricultural, personal property or real estate transactions directly or indirectly related to the activities set out above or which further the accomplishment thereof.]

4. Trend Information

Due to BNPP B.V. dependence upon BNPP, its trend information is the same as that for BNPP set out on page 132 of the BNPP 2014 Registration Document.

5. Share capital

BNPP BV

The authorised share capital is composed of €225,000 divided into 225,000 shares of €1 each. The issued share capital is €45,379, divided in 45,379 shares of €1 each.

All shares are ordinary registered shares and fully paid up and no share certificates have been issued. 100 per cent. of the share capital is held by BNPP.

BNPP

At 10 July 2015, BNPP's share capital stood at EUR 2,492,372,484 divided into 1,246,186,242 shares with a par value of EUR 2 each.

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions. None of the BNPP's shares entitle their holders to an increased dividend or double voting rights or limit the exercise of voting rights.

6. Outstanding options and bonds

BNPP BV

BNPP B.V. has not issued convertible bonds or options giving any right on the shares of BNPP B.V. As regards the outstanding issued securities and related OTC contracts at 30 June 2015, reference is made to Note 3 to the Interim Financial Statements for the period ending 30 June 2015.

BNPP

STOCK SUBSCRIPTION OPTION PLAN

				Characteristics of the plan				Options outstanding at end of period
Originating company	**Date of grant**	**Number of grantees**	**Number of options granted**	**Start date of exercise period**	**Option expiry date**	**Adjusted exercise price *(in euros)*[(1)]**	**Number of options[(1)]**	**Remaining period until expiry of options (years)**
BNL[(3)]	26/10/2001	223	573,250	26/10/2004	26/10/2014	61.888	4,856	0.8
BNP Paribas SA[(2)]	24/03/2004	1,458	1,779,850	24/03/2008	21/03/2014	48.15	911,947	0.2
BNP Paribas SA[(2)]	05/04/2006	2,583	3,894,770	06/04/2010	04/04/2014	73.40	3,351,968	0.3
BNP Paribas SA[(2)]	08/03/2007	2,023	3,630,165	08/03/2011	06/03/2015	80.66	3,176,655	1.2
BNP Paribas SA[(2)]	06/04/2007	219	405,680	06/04/2011	03/04/2015	76.57	353,702	1.3
BNP Paribas SA[(2)]	18/04/2008	2,402	3,985,590	18/04/2012	15/04/2016	64.47	3,570,429	2.3
BNP Paribas SA[(2)]	06/04/2009	1,397	2,376,600	08/04/2013	05/04/2017	35.11	1,614,086	3.3
BNP Paribas SA[(2)]	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	2,258,370	4.2
BNP Paribas SA[(2)]	04/03/2011	1,915	2,296,820	04/03/2015	04/03/2019	56.45	2,199,380	5.2
TOTAL OPTIONS OUTSTANDING AT END OF PERIOD							**17,441,393**	

(1) The number of options and the exercise price have been adjusted, where appropriate, for the two-for-one BNP Paribas share split that took place on 20 February 2002, and the detachment of pre-emptive subscription rights on 7 March 2006 and 30 September 2009, in accordance with the regulations in force.

(2) The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index during the applicable holding period.

Based on this relative performance condition, the adjusted exercise price for these options has been set at:

- EUR 50.55 for 3,080 options under the 24 March 2004 plan, outstanding at the year-end;

- EUR 77.06 for 149,224 options under the 5 April 2006 plan, outstanding at the year-end.

(3) Following the merger between BNL and BNP Paribas on 1 October 2007, stock option plans granted by BNL between 1999 and 2001 entitle beneficiaries to subscribe to BNP Paribas shares as of the date of the merger. Beneficiaries may subscribe to the shares based on a ratio of 1 BNP Paribas share for

27 BNL shares. The exercise price has been adjusted in line with this ratio.

BNPP DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer/Issue date *In millions of euros*	Currency	Original amount in foreign currency *(millions)*	Date of call or interest step-up	Interest rate	Interest step-up	Subordination ranking[1]	Conditions precedent for coupon payment[3]	Amount[5] eligible to Tier 1	Amount[5] eligible to Tier 2	31 Dec. 2013	31 Dec. 2012
Debt securities										**183,507**	**173,198**
Debt securities in issue with an initial maturity of less than one year						1				**90,741**	**83,591**
Negotiable debt securities										90,741	83,591
Debt securities in issue with an initial maturity of more than one year						1				**92,766**	**89,607**
Negotiable debt securities										78,606	72,294
Bonds										14,160	17,313
Subordinated debt								**1,017**	**7,266**	**12,028**	**15,223**
Redeemable subordinated debt			[2]			2		**72**	**6,494**	**10,286**	**12,607**
Undated subordinated notes			[2]					**945**	**550**	**1,496**	**1,461**
BNP Paribas SA Oct. 85	EUR	305	-	TMO -0.25%	-	3	B	-	254	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month Libor +0.075%	-	3	C	-	199	199	207
BNP Paribas Fortis Oct. 04	EUR	1,000	Oct.-14	4.625%	3 months Euribor +170 bp	5	D	945	-	945	879
Other								-	97	98	121
Undated subordinated debt							-	-	-	-	**926**
BNP Paribas Fortis Feb. 08	USD	750	-	8.28%	-	5	D	-	-	-	563
BNP Paribas Fortis June 08	EUR	375	-	8.03%	-	5	D	-	-	-	363
Participating notes[4]							-		**222**	**222**	**222**
BNP Paribas SA July 84	EUR	337	-	[6]	-	4	NA	-	215	215	215
Other								-	7	7	7
Expenses and commission, related debt								**-**	**-**	**24**	**7**

(1)(2) See reference relating to "Debt securities at fair value through profit or loss".

(3) Conditions precedent for coupon payment.

B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12 month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.

C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting in ordinary session has validated the decision not to pay out a dividend, where this occurs within the 12 month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.

D Coupons are paid in the form of other securities if Tier 1 capital stands at less than 5% of the issuer's risk-weighted assets.

(4) The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. Accordingly, during 2012, 32,000 notes have been repurchased and cancelled. The number of notes in the market is 1,434,092.

(5) Given the eligibility criteria and prudential adjustments, including the own credit risk and instruments amortisation.

(6) Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

7. Management

7.1 Management Board

BNPP BV

The management of BNPP B.V. is composed of a Management Board with one or several members appointed by the general meeting of shareholders.

On 22 February 2001, BNP Paribas has appointed as sole member of the Management Board BNP Paribas Trust B.V., a company established and existing under the laws of The Netherlands, with its registered office at Herengracht 537, 1017 BV Amsterdam, The Netherlands. Messrs. Selles and Sijsling as Directors of BNP Paribas Trust B.V. have the power to take all necessary measures in relation to the issue of securities of BNPP B.V.

BNPP

The members of the Board of Directors of BNPP are displayed on page 67 of the Second Update to the BNPP 2014 Registration Document relating to BNPP which is incorporated by reference herein.

7.2 **Duties of the Management Board**

BNPP BV

Within the limits of the constitutional documents, the Management Board is responsible for the management of BNPP B.V.

BNPP

The Board of Directors is a collegial body that collectively represents all shareholders and acts in all circumstances in the corporate interests of the Company.

It ensures a balanced Board and its effective functioning in the best of this interest and in carrying out its duties.

For this purpose:

Upon the proposal submitted by the Chief Executive Officer (CEO), it determines the BNPP business strategy and orientations and supervises its implementation.

It shall handle any issue concerning the smooth running of BNPP and settle matters concerning the Company pursuant to its deliberations.

It may decide to either combine or dissociate the functions of Chairman and Chief Executive Officer.

It appoints Corporate Officers.

It may decide to limit the powers of the Chief Executive Officer.

It approves the Chairman's report attached to the management report.

The Board of Directors or one or more of its Directors or an existing Specialised Committee or an ad hoc committee may:

- assess and perform any or all controls that it considers necessary pursuant to the laws and regulations in force;
- supervise the management of the business and the fairness of its accounts;
- review and close the financial statements;
- ensure that the financial information disclosed to the shareholders and the markets is of high quality.

The Chairman, or the Chief Executive Officer in case of dissociation of the functions, submits for review by the Board of Directors, at least once a year, drafts of the budget, of the management report and of the various reports required under applicable laws and regulations.

He is required to submit to the Board of Directors for prior approval all investment or disinvestment decisions (other than portfolio transactions) in an amount in excess of EUR 250 million, and any proposal to acquire or dispose of shareholdings (other than portfolio transactions) in excess of that threshold. He also regularly informs the Board of Directors of material transactions which fall below this limit.

Any material strategic transaction which lies outside the approved business strategy must be submitted to the Board of Directors for prior approval.

To the extent that the Board of Directors has delegated to them the necessary powers to issue bonds and assimilated securities and to issue securities giving immediate or future access to the capital of BNPP the Chief Executive Officer or the Chief Operating Officers shall report to the Board of Directors on the issuing of said borrowings or securities.

8. Accounts of BNPP BV

8.1 Drawing up of annual accounts

The financial year is the calendar year.

8.2 Adoption of annual accounts

The general meeting of shareholders adopts the annual accounts.

9. Material Investments of BNPP BV

BNPP B.V. has made no material investments since the date of its last published financial statements other than those related to the issue of securities and its Management Board has made no firm commitments on such material investments in the future.

10. Organisational Structure of BNPP BV

BNPP B.V. is a wholly owned subsidiary of BNP Paribas.

BNPP B.V. is dependent upon BNP Paribas in that BNP Paribas develops and markets the Securities, hedges its market, credit and liquidity risks and guarantees the obligations of BNPP B.V. for any issuance of its securities towards investors.

11. Administrative, Management, and Supervisory Bodies of BNPP BV

11.1 Names, Business Addresses, Functions and Principal Outside Activities

The names, functions and principal activities performed by it outside BNPP B.V. which are significant with respect to the only director of BNPP B.V. are:

Name	Function	Principal Outside Activities
BNP Paribas Trust B.V.	Managing Director	Providing corporate management and administrative services to Dutch companies belonging to corporate or private clients or the BNP Paribas Group

11.2 Administrative, Management, and Supervisory Bodies Conflicts of Interests

The above-mentioned member of the Management Board of BNPP B.V. does not have potential conflicts of interests, material to the issue of the Securities, between any duties to BNPP B.V. and its interests or other duties.

12. Board Practices of BNPP BV

12.1 Audit Committee

BNPP B.V. does not itself have an audit committee. However, BNPP B.V. is part of the BNP Paribas Group which divides the audit responsibility to review the annual consolidated financial statements of BNP Paribas between a Financial Statement Committee and an Internal Control and Risks Committee.

12.2 Corporate Governance

The Dutch Corporate Governance Code of 10 December 2008 only applies to listed companies. The shares of BNPP B.V. are not listed and therefore the code does not apply. Accordingly, BNPP B.V. is not required to make any disclosure regarding compliance with the code.

13. Historical Financial Information Concerning BNPP B.V.'s Assets and Liabilities, Financial Position and Profits and Losses

Selected annual financial information:

BALANCE SHEET IN SUMMARY
(before appropriation of the net result)

	31.12.2014	**31.12.2013**
	EUR	EUR
Financial Fixed Assets	48, 545, 871, 603	32,045,857,816
Current Assets	16, 258, 961, 862	16,917,219,020
TOTAL ASSETS	**64, 804, 833, 465**	**48,963,076,836**
Shareholder's Equity	445,206	416,163
Long Term Liabilities	48, 545, 871, 603	32,045,857,816
Current Liabilities	16, 258, 516, 656	16,916,802,857
TOTAL EQUITY AND LIABILITIES	**64, 804, 833, 465**	**48,963,076,836**

PROFIT AND LOSS ACCOUNT in summary

	2014	**2013**
	EUR	EUR
Income including interest received	432,323	397,703
Costs, including interest paid and the tax charge	403,280	(370,954)
Profit after taxation	29,043	26,749

CASH FLOW STATEMENT in summary

	2014	**2013**
	EUR	EUR

Cash flow from operating activities	623,505	(43,154)
Cash flow from financing activities	0	(250,000)
Increase/(Decrease) cash at banks	623,505	(293,154)
Cash at bank at December 31	652,453	28,948

Selected interim financial information:

BALANCE SHEET IN SUMMARY
(before appropriation of the net result)

	30.06.2015	**31.12.2014**
	EUR	EUR
Financial fixed assets	31,616,708,278	48,545,871,603
Current assets	19,568,033,949	16,258,961,862
TOTAL ASSETS	51,184,742,227	64,804,833,465
Shareholder's equity	455,439	445,206
Long term liabilities	31,616,708,278	48,545,871,603
Current liabilities	19,567,578,510	16,258,516,656
TOTAL EQUITY AND LIABILITIES	51,184,742,227	64,804,833,465

PROFIT AND LOSS ACCOUNT in summary

	01.01.2015 to 30.06.2015	**01.01.2014 to 30.06.2014**
	EUR	EUR
Income including interest received	158,175	219,021
Costs, including interest paid and the tax charge	(147,942)	(204,217)
Profit after taxation	10,233	14,804

CASH FLOW STATEMENT in summary

	01.01.2015 to 30.06.2015	**01.01.2014 to 30.06.2014**
	EUR	EUR
Cash flow from operating activities	(566,626)	335,971

Cash flow from financing activities	0	0
Increase/Decrease cash at banks	(566,626)	335,971
Cash at bank at 30 June	85,827	364,919

BOOK-ENTRY SECURITIES

The Securities are either Certificated Securities or Uncertificated Securities, which are deposited or registered with SIS. English Law Securities are issued as Certificated Securities and French Law Securities are issued as Uncertificated Securities.

English Law Notes are represented by a permanent global note (the "**Permanent Global Note**"), English Law Certificates are represented by a permanent global certificate (the "**Permanent Global Certificate**") and English Law Warrants are represented by a permanent global warrant (the "**Permanent Global Warrant**" and, together with the Permanent Global Certificate, the "**Permanent Global Security**") and, in each case, will be held as intermediated securities (the "**Intermediated Securities**") (*Bucheffekten*) in accordance with the Swiss Federal Intermediated Securities Act ("**FISA**") (*Bucheffektengesetz*).

The Intermediated Securities will be created (i) by the deposit by the Principal Paying Agent (in the case of Notes) or the Principal Security Agent (in the case of Warrants and Certificates), as the case may be, of the Permanent Global Security with SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIS or such other intermediary, the "**Intermediary**") on or prior to the issue date and (ii) by the Intermediary crediting the respective rights to securities accounts of the relevant participants with the Intermediary.

Uncertificated Securities are issued in uncertificated and dematerialised book-entry form (*inscription en compte*). Neither a global certificate nor definitive securities or any other certificate representative of an Uncertificated Securities will be issued in respect of Uncertificated Securities and the Terms shall be construed accordingly. Uncertificated Securities will be created by the Issuer by means of a registration in its register of uncertificated securities. Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Intermediary on or prior to their issue date. Once the Uncertificated Securities are registered in the main register (*Hauptregister*) of the Intermediary, such Uncertificated Securities will constitute Intermediated Securities.

The records of the Intermediary will determine the number of Securities held through each participant in the Intermediary. In respect of the Securities held in the form of Intermediated Securities, the holders of the Securities (the "**Holders**") will be the persons holding the Securities in a securities account in their own name and for their own account.

Each Holder of Certificated Securities shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Security representing such Certificated Securities to the extent of his claim against the Issuer, provided that, for so long as the Permanent Global Security remains deposited with the Intermediary, the co-ownership interest shall be suspended.

So long as the Certificated Securities or Uncertificated Securities remain deposited or registered with the Intermediary, the Securities may only be transferred or otherwise disposed of in accordance with the provisions of the FISA, i.e. by the entry of the transferred Securities in a securities account of the transferee.

In respect of Uncertificated Securities, neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a Permanent Global Security or Definitive Securities.

Subject as provided below, in the case of either Certificated Securities or Uncertificated Securities, no printing of securities in definitive form will occur. Subject to any applicable laws, neither the Issuer nor the Holders of Permanent Global Securities shall at any time have the right to effect or demand the conversion of the Permanent Global Security into, or the delivery of, uncertificated securities or Certificated Securities in definitive form.

If (i) the Principal Paying Agent (in the case of Notes) or the Principal Security Agent (in the case of Warrants and Certificates), as the case may be, deems the printing of securities in definitive form and, if applicable, coupons for the payment of interest or premium amount, ("**Coupons**") to be necessary or useful, or (ii) the presentation of securities in definitive form or, if applicable Coupons, is required by Swiss or foreign laws in connection with the enforcement of rights (including in cases of bankruptcy, consolidation or reorganisation of the Issuer), the Issuer shall determine the form of

such definitive securities and, if applicable Coupons, as well as any necessary technical changes required to these Terms and Conditions in consultation with the Principal Paying Agent and/or the Principal Security Agent, as applicable.

The Permanent Global Securities do not have Coupons attached on issue.

TAXATION

The statements herein regarding taxation are based on the laws in force in the European Union, Switzerland, France, The Netherlands and the United States, as applicable, as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities. Each prospective holder or beneficial owner of Securities should consult its tax adviser as to each of the EU Directive on the Taxation of Savings Income, the Swiss, the Dutch, the French and the U.S. federal income tax consequences, as applicable, of any investment in or ownership and disposition of the Securities.

EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in other EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires EU Member States to apply these new requirements from 1 January 2017 and if they were to take effect, the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The proposal also provides that, if it proceeds, EU Member States will not be required to apply the new requirements of the Amending Directive.

SWISS TAXATION

The following summary does not purport to address all Swiss tax consequences that may be relevant for a decision to purchase, own and dispose of the Securities and in particular does not take into account the specific circumstances of any particular investor. This summary is based on the tax laws, regulations and regulatory practices of Switzerland, as in effect on the date hereof, which are subject to change (or subject to changes in interpretation), possibly with retroactive effect. The summary is based on a residence and effective management of the Issuer outside Switzerland. Prospective purchasers are advised to consult their own tax advisers in light of their particular circumstances as to Swiss tax laws, regulations and regulatory practices that could be relevant for them in connection with the purchase, ownership, lapse or exercise, disposition or redemption of Securities.

On 7 February 2007 the Swiss Federal Tax Administration (FTA) has issued a Circular Letter No. 15 regarding Certificates and Derivative Financial Instruments subject to Direct Federal Tax, Withholding Tax and Stamp Tax. The Securities issued under this Base Prospectus will be taxed in accordance with this Circular Letter No. 15 and its appendices.

The tax consequences of an investment in the Securities depend upon the qualification of such Securities for tax purposes, which is made mainly based on the underlying of the Securities and on the specific terms of the Securities. Depending on the qualification of the Securities, periodical payments, the repayment of principal as well as gains realized upon the disposal of the Securities can fully or partially be qualified as interest, dividend, option premium or capital gain.

The FTA taxes returns on Securities according to the principle of transparency. This means that, when a Certificate is issued, the components must be disclosed and described separately. In the case such disclosure is not made or not possible (i.e. in case of a non-transparent Certificate), the entire return (interest income and any capital gains) might be subject to taxation.

The following summary of certain aspects of taxes in Switzerland is of general nature and is included herein solely for information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice.

Income Tax

Interest and Dividend Payments or Redemption of Securities

Swiss residents or foreign residents subject to Swiss taxation receiving interest or dividend payments or payments qualifying as interest or dividend for tax purposes, during the investment or at redemption as accrued interest or dividends, generally must declare these distributions in the financial statements and/or in the tax returns and owe individual or corporate income tax on the relevant amounts.

Gains on Sale

Swiss Resident Private Holder of Securities

Swiss resident individuals holding Securities as part of their private assets (as opposed to business assets) may, depending on the qualification of such Securities for tax purposes, be subject to Swiss Federal, Cantonal or Municipal income tax on gains realized upon the disposal of such Certificate.

Based on the present practice of the Swiss Federal Tax Authorities, on gains realized upon the disposal of such Securities Swiss resident individuals holding Securities, which do not qualify as notes with predominant one-time interest payment (*nicht überwiegend einmalverszinsliche Obligationen*), as part of their private (as opposed to business) assets will generally (unless such individuals qualify as so-called Professional Securities Dealer (*gewerbsmässiger Wertschriftenhändler*) not be subject to any Swiss Federal, Cantonal or Municipal income tax.

Based on the present practice of the Swiss Federal Tax Authorities, Swiss resident individuals holding Securities which qualify as notes with predominant one-time interest payment (*überwiegend einmalverzinsliche Obligationen*), as part of their private (as opposed to business) assets will generally be subject to Swiss Federal, Cantonal or Municipal income tax on gains realized upon disposal of such Securities.

Swiss Resident Business Holder of Securities

Gains realized on the sale of Securities by Swiss resident individual holders of Securities, holding the Securities as part of their business assets, as well as by Swiss resident legal entity holders of Securities are part of their taxable business profit subject to individual income taxes or corporate income taxes, respectively. The same applies to Swiss resident private holders of Securities who qualify as so-called Professional Securities Dealers (*gewerbsmässige Wertschriftenhändler*).

Non-Swiss Resident Holder of Securities

Under present Swiss law, a holder of Securities who is a non-tax resident of Switzerland and who, during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to taxation in Switzerland for any other reason, will not be subject to any Swiss Federal, Cantonal or Municipal income tax on gains realized or redemption of the Securities.

Gift, Inheritance and Wealth Taxes

The transfer of Securities may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is, or the deceased was, resident for tax purposes in a Swiss canton levying such taxes.

A Swiss tax resident holder of Securities will also be liable to any annual cantonal/communal wealth tax on the Certificates and must declare them in the securities schedule of the Swiss tax return.

Stamp Duties

Swiss Issuance Stamp Duty

The issuance of the Securities by a foreign resident issuer is in general not subject to Swiss issuance stamp duty.

Swiss Transfer Stamp Duty

The issuance of the Securities is in general not subject to Swiss transfer stamp duty. However, the issuance of Securities which qualify as instruments similar to a collective investment scheme are in general subject to Swiss transfer stamp duty. The sale or transfer of the Securities (i.e. secondary market transactions) may be subject to a maximum Swiss transfer stamp duty at the current rate of 0.3% if such sale or transfer is made by or through the intermediary of a Swiss or Liechtenstein professional Securities dealer as defined in the Swiss Stamp Tax Act and in the Treaty on Custom Union concluded between Switzerland and Liechtenstein.

Withholding Tax

All payments in respect of the Securities by the non-Swiss Issuer are currently not subject to the Swiss Federal Withholding Tax.

Savings Tax

In the context of the EU Savings Tax Directive (2003/48/EC), the European Community and Switzerland have entered on 26 October 2004 into an agreement (in this section, the "Agreement") providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. Based on that Agreement, Switzerland has introduced a retention tax on interest payments or other similar income paid by a paying agent within Switzerland to EU resident individuals as of 1 July 2005. Such tax withheld is currently applied at a rate of 35%.

The beneficial owner of the interest payments may be entitled to a refund of the tax or a tax credit in his State of residence if certain conditions are met. Alternatively, such individual may opt for a notification of the interest payment to the relevant EU-tax authority to avoid the withholding.

In the context of the above described and recently from the Council of the European Union adopted Council Directive amending and broadening the scope of the EU Savings Tax Directive Switzerland commenced negotiations with the European Commission in January 2014 on adjustments of the existing Agreement.

Taxation Cooperation Agreements

Since the start of 2011, Switzerland had been negotiating an extension of cross-border cooperation in tax matters. Switzerland entered into agreements with the United Kingdom and with Austria on a final withholding tax (*Abgeltungssteuer*). These agreements entered into force on 1 January 2013. In addition, the Swiss parliament adopted the Federal Act on International Taxation Cooperation (*Bundesgesetz über die internationale Quellenbesteuerung*) during the summer session 2012 which entered into force on 20 December 2012. The Tax Cooperation Agreements and the Federal Act under certain circumstances introduce *inter alia* a final withholding tax on investment income and capital gains where a Swiss paying agent is involved. A person subject to a final withholding tax may avoid such final withholding tax by opting for voluntary disclosure of the interest or capital income to the tax authority of his or her country of residency.

FRENCH TAXATION

The descriptions below are intended as a basic summary of certain French withholding tax consequences in relation to the ownership of the Securities issued by BNPP. Potential purchasers of Securities are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, or ownership of, the Securities.

Savings Directive

The Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") has been implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Withholding tax on Securities issued by BNPP

The withholding tax treatment will depend on the nature and characterisation of the Securities issued by BNPP.

Securities constituting debt instruments for French tax purposes

The following may be relevant to holders of Securities issued by BNPP who do not concurrently hold shares of BNPP.

Securities which are not consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes (other than Securities which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Securities are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Securities will not be deductible from BNPP's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent., (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of a particular issue of Securities if BNPP can prove that the principal purpose and effect of such issue of Securities was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70, and BOI-IR-DOMIC-10-20-20-60-20150320 n°10, an issue of Securities will benefit from the Exception without BNPP having to provide any proof of the purpose and effect of such issue of Securities, if such Securities are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Securities which are consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes and which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Securities issued before 1 March 2010, whether denominated in Euro or in any other currency, constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the above mentioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by BNPP on Securities which constitute debt instruments for French tax purposes, which are issued from 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 will not be subject to the Deductibility Exclusion, and hence will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Securities held by individuals who are fiscally domiciled in France

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and other revenues paid by a paying agent located in France to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

Securities issued by BNPP not constituting debt instruments for French tax purposes

Payments with respect to Securities issued by BNPP which do not constitute debt instruments for French tax purposes should not be subject to, or should be exempt from, withholding tax provided that the beneficial owner of such Securities and the payments thereunder is resident or domiciled in a country which has entered into an appropriate double taxation treaty with France and fulfils the relevant requirements provided in such treaty.

In addition, payments in respect of such Securities may, in certain circumstances, be non-deductible (in whole or in part) for French tax purposes if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, and subject to the more favourable provisions of an applicable double tax treaty, such non-deductible payments may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts* subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts* at a rate of up to 75 per cent.

Potential purchasers of Securities who are resident or domiciled in a country which has not entered into an appropriate double tax treaty with France or who are domiciled or established in a Non-Cooperative State are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, ownership of, or transactions involving the Securities.

Transfer tax and other taxes

*The following may be relevant in connection with Securities which may be settled, redeemed or repaid by way of physical delivery of certain French listed shares (or certain assimilated securities).*Pursuant to Article 235 *ter* ZD of the French *Code général des impôts*, a financial transaction tax (the **Financial Transaction Tax**) is applicable to any acquisition for consideration, resulting in a transfer of ownership, of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier*, or of an assimilated equity security, as defined by Article L.211-41 of the French *Code monétaire et financier*, admitted to trading on a recognised stock exchange when the said security is issued by a company whose registered office is situated in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the acquisition occurs (the **French Shares**). The Financial Transaction Tax could apply in certain circumstances to the acquisition of French Shares in connection with the repayment, redemption or settlement of any Securities.

There are a number of exemptions from the Financial Transaction Tax and investors shall revert to their counsel to identify whether they can benefit from them.

The rate of the Financial Transaction Tax is 0.2 per cent. of the acquisition value of the French Shares.

If the Financial Transaction Tax applies to an acquisition of French Shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1 per cent. to the sale of shares issued by a company whose registered office is situated in France, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

NETHERLANDS TAXATION

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Securities may include an individual or entity who does not have the legal title of these Securities, but to whom nevertheless the Securities or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Securities or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

(i) investment institutions (*fiscale beleggingsinstellingen*);

(ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Netherlands corporate income tax;

(iii) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

(iv) persons to whom the Securities and the income from the Securities are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);

(v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Securities are attributable;

(vi) individuals to whom Securities or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands

(vii) holders of Securities for whom the benefits from the Securities qualify for the participation exemption within the meaning of article 13 of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) or would qualify for the participation exemption had the corporate holders of Securities been resident in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

This summary does not describe the consequences of the exchange or the conversion of the Securities.

Withholding Tax

All payments made by the Issuers under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein , provided that the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Securities is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001, if:

(i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Securities, must determine taxable income with regard to the Securities on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%.

Non-residents of the Netherlands

If a person is not a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, such person is not liable to Netherlands income tax in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

(i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

(ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) is subject to individual income tax at progressive rates up to a maximum rate of 52%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

Residents of the Netherlands

Generally, gift tax (*schenkbelasting*) or inheritance tax (*erfbelasting*) will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on behalf of, or on the death of, a holder of Securities that is a resident or deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956 at the time of the gift or his or her death. A gift made under a condition precedent is for the purposes of the Netherlands Gift and Inheritance Tax Act 1956 deemed to be made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and makes a gift within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Non-residents of the Netherlands

No gift or inheritance tax will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or as a result of the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956. However, inheritance tax will be due in the case of a gift of the Securities by, or on behalf of, a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956, but such holder dies within 180 days after the date of the gift and at the time of his or her death is a resident or deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State 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.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires EU Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on Securities. They would also expand the circumstances in which payments must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014 Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT

The U.S. Hiring Incentives to Restore Employment Act introduced section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**"), which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under section 871(m) of the Code, such payments generally would be subject to a 30% withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner claims a credit or refund from the U.S. Internal Revenue Service ("**IRS**"). A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States; (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States; and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). U.S. Treasury regulations expand the scope of withholding under Section 871(m) beginning 1 January 2017. While significant aspects of the application of 871(m) to the Securities are uncertain, if the relevant Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay additional amounts with respect to amounts so withheld. Prospective investors should consult their tax advisors regarding the potential application of section 871(m) to the Securities.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the Code ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of an Issuer (a "**Recalcitrant Holder**"). The Issuers are classified as FFIs.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Securities characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Securities characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States has entered into agreements with France and the Netherlands (together, the "**Relevant IGAs**") based largely on the Model 1 IGA.

If the relevant Issuer is treated as a Reporting FI pursuant to the Relevant IGA such Issuer does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuers will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Issuers and financial institutions through which payments on the Securities are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Securities is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

While the Securities are held within SIS, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Securities by an Issuer or any paying agent, given that each of the entities in the payment chain between the relevant Issuer and the participants in SIS 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 Securities. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of SIS. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Securities will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the Relevant IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to an Issuer and to payments they may receive in connection with the Securities.

OTHER TAXATION

The payment of the Cash Settlement Amount and/or the Final Redemption Amount, Interest Amount or such other amount payable in respect of the Securities, if any, will be made subject to withholding taxes and other taxes which the law may impose on holders of the Securities.

Individuals and legal entities should consult their usual tax advisors with respect to the tax treatment which applies to them.

In addition, holders of the Securities should comply with the tax laws applicable in the jurisdiction in which they are resident, subject to the application of any applicable tax treaty in force between France or, as the case may be, the Netherlands, and such jurisdiction.

Purchasers of Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Security.

TRANSACTIONS INVOLVING SECURITIES MAY HAVE TAX CONSEQUENCES FOR POTENTIAL PURCHASERS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE POTENTIAL PURCHASER AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING SECURITIES SHOULD CONSULT THEIR OWN TAX ADVISERS.

Transactions involving Securities may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and may relate to transfer and registration taxes.

Note Condition 6 and W&C Security Condition 11 (Expenses and Taxation), as applicable, should be considered carefully by all potential purchasers of any Securities.

All prospective holders should seek independent advice as to their tax positions.

OFFERING AND SALE

No action has been or will be taken by BNPP B.V., BNPP or the Managers that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on BNPP B.V., BNPP and/or the Managers.

United States

None of the Securities, the Guarantees or, in the case of Physical Delivery Securities, the Entitlement to be delivered upon the exercise (in the case of Physical Delivery Warrants) or the redemption (in the case of Physical Delivery Certificates) of such Securities has been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States. Furthermore, neither the sale of nor trading in the Securities has been approved by the Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") and no U.S. person (as defined herein) may at any time purchase, trade, exercise or maintain a position in the Securities unless otherwise specified in the relevant Final Terms for the Securities. Neither Issuer has registered as an investment company pursuant to the Investment Company Act. Unless otherwise specified in the applicable Final Terms, the Securities are being offered and sold in reliance on Regulation S under the Securities Act ("**Regulation S**") and pursuant to CFTC regulations and guidance. No Securities of such series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined herein), and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person (as defined herein) will not be recognised. The Securities of such series may not be legally or beneficially owned at any time by any U.S. person (as defined herein), and accordingly are being offered and sold outside the United States only to persons that are not U.S. persons (as defined herein) in reliance on Regulation S and pursuant to CFTC regulations and guidance.

Each prospective purchaser of Securities, by accepting delivery of this Base Prospectus and the Securities, will be deemed to have represented and agreed as follows:

(a) it understands that Securities and, in certain cases, the securities (if any) to be delivered when Securities are redeemed and/or exercised, have not been, and will not be, registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States; and that trading in the Securities has not been approved by the CFTC under the CEA, or by the SEC;

(b) it is not a U.S. person (as defined herein) and, if it is acting for the account or benefit of another person, such other person is also not a U.S. person (as defined herein);

(c) it understands and acknowledges that the Issuers have the right to compel any beneficial owner of an interest in Securities to certify periodically that such beneficial owner is not a U.S. person (as defined herein);

(d) it understands and acknowledges that the Issuers have the right to refuse to honor the transfer of an interest in Securities in violation of the transfer restrictions applicable to such Securities;

(e) it understands and acknowledges that the Issuers have the right to compel any beneficial owner who is a U.S. person (as defined herein) to (i) sell its interests in the Securities to a person who is not a U.S. person (as defined herein) in an offshore transaction pursuant to Regulation S and CFTC regulations and guidance, or (ii) transfer its interests in the Securities to the relevant Issuer or an affiliate of such Issuer at a price equal to the lesser of (x) the purchase price therefor paid by such beneficial owner, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof;

(f) it understands that the Securities will bear a legend to the following effect:

THIS SECURITY AND, IN CERTAIN CASES, THE SECURITIES (IF ANY) TO BE DELIVERED WHEN THIS SECURITY IS REDEEMED AND/OR EXERCISED, HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND TRADING IN THIS SECURITY HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**") UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**"), OR BY THE U.S. SECURITIES EXCHANGE COMMISSION (THE "SEC"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING: BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT (A) IT ACQUIRED THIS SECURITY OR SUCH BENEFICIAL INTEREST IN AN OFFSHORE TRANSACTION (AS SUCH TERM IS DEFINED UNDER REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**"); (B) IT IS NOT (W) A "**U.S. PERSON**" AS DEFINED IN REGULATION S, (X) A "U.S. PERSON" AS DEFINED IN THE INTERPRETIVE GUIDANCE AND POLICY STATEMENT REGARDING COMPLIANCE WITH CERTAIN SWAP REGULATIONS PROMULGATED BY THE CFTC, UNDER THE CEA, (Y) A PERSON OTHER THAN A "NON-UNITED STATES PERSON" AS DEFINED IN CFTC RULE 4.7 OR (Z) ANY OTHER "U.S. PERSON AS SUCH TERM MAY BE DEFINED IN REGULATION S OR IN REGULATIONS OR GUIDANCE ADOPTED UNDER THE CEA, IN EACH CASE, AS SUCH DEFINITION MAY BE AMENDED, MODIFIED OR SUPPLEMENTED FROM TIME TO TIME (ANY PERSON SATISFYING (W), (X), (Y) OR (Z) ABOVE, A "U.S. PERSON"); AND (C) IF IT IS ACQUIRING THIS SECURITY OR A BENEFICIAL INTEREST HEREIN FOR THE ACCOUNT OR BENEFIT OF ANOTHER PERSON, SUCH OTHER PERSON IS ALSO A U.S. PERSON;

(2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT, AT ANY TIME DURING THE TERM OF THIS SECURITY, OFFER, SELL, RESELL OR DELIVER, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF ANY SECURITY OR INTEREST THEREIN IN VIOLATION OF THE FOREGOING;

(3) ACKNOWLEDGES THAT ANY TRANSFER IN VIOLATION OF THE FOREGOING AT ANY TIME DURING THE TERM OF THIS SECURITY WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE REGISTRAR, ANY AGENT OR ANY INTERMEDIARY;

(4) ACKNOWLEDGES THAT IF AT ANY TIME THE ACQUIRER BECOMES A U.S. PERSON, THE ISSUER HAS THE RIGHT TO (A) COMPEL THE ACQUIRER TO SELL SUCH SECURITY OR BENEFICIAL INTEREST THEREIN, AS APPLICABLE, TO A PERSON WHO IS NOT A U.S. PERSON IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S AND CFTC REGULATIONS AND GUIDANCE, OR (B) COMPEL THE BENEFICIAL OWNER TO TRANSFER SUCH SECURITY OR BENEFICIAL INTEREST THEREIN, AS APPLICABLE, TO THE ISSUER OR AN AFFILIATE OF THE ISSUER FOR THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF; AND

(5) ACKNOWLEDGES THAT THE ISSUER MAY COMPEL EACH BENEFICIAL OWNER OF THE SECURITY TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS NOT A U.S. PERSON.

(g) it has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of purchasing Securities, and it can bear the economic risk of an investment therein; and

(h) the Issuers, the Registrar, the Dealers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

As used herein, a "**U.S. person**" means a person that is any one or more of the following: (1) a "U.S. person" as defined in Regulation S, (2) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC, under the CEA, (3) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (4) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the CEA, in each case, as such definition may be amended, modified or supplemented from time to time.

Securities in bearer form that are debt for U.S. federal income tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain circumstances permitted by U.S. Treasury regulations. The applicable Final Terms will specify whether the provisions of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA D**") apply or do not apply ("**TEFRA not applicable**") to the issuance of Securities. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

Certificated Securities denominated in Swiss Francs benefit from a limited exception to the certification in bearer form requirement of the TEFRA D Rules, if such Certificated Securities fulfil the relevant requirements set out below.

The following criteria must be fulfilled in order for the limited exception to the certification requirement of the TEFRA D Rules to apply:

(a) the interest on, and the principal of, the Securities are denominated only in Swiss Francs;

(b) the interest on, and the principal of, the Securities are payable only in Switzerland;

(c) the Securities are offered and sold in accordance with Swiss customary practice and documentation;

(d) the relevant dealers agree to use reasonable efforts to sell the Securities within Switzerland;

(e) the Securities are not listed, or subject to an application for listing, on an exchange located outside Switzerland;

(f) the issuance of the Securities is subject to guidelines or restrictions imposed by Swiss governmental, banking or securities authorities; and

(g) more than 80 per cent. by value of the Securities included in the offering of which they are part are offered and sold to non-dealers by dealers maintaining an office located in Switzerland.

European Economic Area

Please note that in relation to EEA States, additional selling restrictions may apply in respect of any specific EEA State, including those set out below in relation to France, and The Netherlands.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") offers of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that

Relevant Member State may not be made except, with effect from and including the Relevant Implementation Date, offers of such Securities to the public in that Relevant Member State may be made:

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

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Issuer or any Manager for any such offer; or

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

provided that no such offer of Securities referred to in (a) or (c) above shall require the relevant Issuer 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 Securities to the public**" in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

France

The Issuer and any Dealer of an issue of Securities may make an offer of Securities only in circumstances that do not constitute an offer to the public in France pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the *Autorité des marchés financiers* ("**AMF**").

Pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF, (in each case as may be amended from time to time), the circumstances in which an offer of Securities shall not constitute an offer to the public in France include, but are not limited to, an offer of Securities:

(a) addressed solely to qualified investors (*investisseurs qualifiés*), acting for their own account; and/or

(b) addressed solely to a limited number of investors (*cercle restreint d'investisseurs*) acting for their own account; and/or

(c) addressed solely to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or

(d) addressed to investors who acquire Securities for a total consideration of at least euro 100,000 (or its equivalent in another currency) per investor, for each separate offer; and/or

(e) whose notional amount, nominal amount or equivalent amounts to at least euro 100,000 (or its equivalent in another currency); and/or

(f) with a total consideration of less than euro 100,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months.

Accordingly, the Issuer and any Dealer have represented and agreed that they have not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities and offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) a limited number of investors (*cercle restreint d'investisseurs*) acting for their own account and/or (iii) qualified investors

(*investisseurs qualifiés*), investing for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

Netherlands

The Securities as described in this prospectus may only be offered to Qualified Investors (as defined in the Prospectus Directive) unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het toezicht*).

Zero coupon Notes and Certificates in definitive bearer form on which interest does not become due and payable during their term but only at maturity (that qualify as savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*; the "**SCA**") may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes or Certificates to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes or Certificates if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands.

General

With regard to each issue of Securities, the relevant Manager(s) will be required to comply with such other additional restrictions as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

1. Authorisation

The update of the Programme and the issue of Securities under the Programme were approved by resolutions of the Board of Directors of BNPP B.V. dated 4 June 2015. No authorisation procedures are required of BNPP by French law for the update of the Programme or the giving of the Guarantees. The issue of Certificates issued by BNPP under the Programme is authorised pursuant to the Board resolution dated 13 May 2015.

2. Approval for admission to trading on SIX Structured Products Exchange Ltd. or SIX Swiss Exchange and listing on SIX Swiss Exchange

Application has been made in accordance with the Listing Rules for the approval of this Base Prospectus by SIX Swiss Exchange and application may be made for Securities issued under the Programme to be admitted to trading on SIX Structured Products Exchange Ltd. or SIX Swiss Exchange and to be listed on SIX Swiss Exchange as soon as possible thereafter.

3. Documents Available

From the date hereof and so long as Securities are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection at the specified office for the time being of BNP Paribas Securities Services, Paris, Succursale de Zurich:

(i) copies of the constitutional documents of BNP Paribas Arbitrage Issuance B.V. and the *Statuts* of BNP Paribas;

(ii) the audited annual non-consolidated financial statements of BNPP B.V. for the years ended 31 December 2013 and 31 December 2014 (BNPP B.V. does not produce consolidated annual reports);

(iii) the audited annual consolidated financial statements of BNPP for the years ended 31 December 2013 and 31 December 2014;

(iv) the most recently published audited annual consolidated financial statements and unaudited semi-annual consolidated financial statements and quarterly results of BNPP;

(v) the most recently published audited annual non-consolidated financial statements and unaudited semi-annual interim non-consolidated financial statements of BNPP B.V. (BNPP B.V. does not produce consolidated annual reports);

(vi) copies of the Guarantees;

(vii) the Agency Agreement (which contains the forms of the English Law Global Certificates and English Law Global Warrants);

(viii) the Note Agency Agreement (which contains the forms of English Law Global Notes);

(ix) this Base Prospectus;

(x) the BNPP 2014 Registration Document;

(xi) the First Update to the BNPP 2014 Registration Document;

(xii) the Second Update to the BNPP 2014 Registration Document;

(xiii) the Annual Report of BNPP B.V. for the year ended 31 December 2014; and

(xiv) the BNPP B.V. Interim Financial Statements.

Written or oral requests for such documents should be directed to the Principal Security Agent at its principal office set out at the end of this Base Prospectus or may be obtained by telephone (+41 58 212 6335) or fax (+41 58 212 6330). In addition, copies of any documents incorporated by reference will be made available, along with this Base Prospectus, for viewing on the website of BNPP at the following address www.bnpparibasmarkets.ch or any other website specified in the applicable Final Terms.

4. Representative

In accordance with Article 43 of the Listing Rules of SIX Swiss Exchange, the Issuers have appointed Naegeli & Partners Attorneys at Law Ltd., Klausstrasse 33, 8008 Zurich, as its representative in order to apply for the registration of the Programme Documentation and the listing of the Securities on the SIX Swiss Exchange.

5. Material Adverse Change

There has been no material adverse change in the prospects of BNPP or the Group since 31 December 2014 (being the end of the last financial period for which audited financial statements have been published).

There has been no material adverse change in the prospects of BNPP B.V. since 31 December 2014 (being the end of the last financial period for which audited financial statements have been published).

6. Legal and Arbitration Proceedings

Save as disclosed on pages 167, 168, 219 and 220 of the BNPP 2014 Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least the twelve (12) months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNPP B.V. is aware) during a period covering 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past significant effects on BNPP B.V.'s financial position or profitability.

7. Significant Change

There has been no significant change in the financial or trading position of BNPP or the BNPP Group since 30 June 2015 (being the end of the last financial period for which interim financial statements have been published).

There has been no significant change in the financial or trading position of BNPP B.V. since 30 June 2015 (being the end of the last financial period for which interim financial statements have been published).

8. Material Contracts

Neither Issuer has entered into contracts outside the ordinary course of its respective business, which could result in the relevant Issuer being under an obligation or entitlement that is material to such Issuer's ability to meet its obligation to holders of Securities in respect of the Securities being issued.

9. Third Party Information

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as the relevant Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The relevant Issuer has also identified the source(s) of such information.

10. Board of Directors

The members of the Board of Directors of BNPP are displayed on pages 30 to 45 of the BNPP 2014 Registration Document and page 67 of the Second Update to the BNPP 2014 Registration Document which are incorporated by reference herein.

The "Description of BNP Paribas Arbitrage Issuance B.V." above includes details of the Management Board of BNPP B.V.

11. Conflicts of Interests

To the knowledge of BNPP, the duties owed by the members of the Board of Directors of BNPP do not give rise to any potential conflict of interests with such members' private interests or other duties.

The Management Board of BNPP B.V. does not have potential conflicts of interests, material to the issue of Securities, between any duties to BNPP B.V. and its interests or other duties.

12. Auditors

The statutory auditors (*Commissaires aux comptes*) of BNPP are currently the following:

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Damien Leurent.

Deputy:

BEAS, 195, avenue Charles de Gaulle, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Etienne Boris.

Deputy:

Anik Chaumartin, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Hervé Hélias.

Deputy:

Michel Barbet-Massin, 61 Rue Henri-Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux comptes*).

In June 2012 Mazars Paardekooper Hoffman Accountants N.V. were appointed as the auditors of BNPP B.V. Mazars Paardekooper Hoffman Accountants N.V. are independent public accountants in The Netherlands registered with NBA (*Nederlandse Beroepsorganisatie van Accountants*). The address of Mazars Paardekooper Hoffman Accountants N.V. is Delflandlaan 1, 1062 EA, Amsterdam.

The financial statements of BNPP B.V. for the years ending 31 December 2013 and 31 December 2014 have been audited without qualification by Mazars Paardekooper Hoffman Accountants N.V.

13. Clearing Systems

The Securities have been accepted for clearance through SIX SIS AG, Olten, Switzerland. The appropriate CUSIP, common code, ISIN and other relevant code for each issue of Securities will be specified in the applicable Final Terms.

14. Capitalization of BNPP and the BNP Paribas Group

Millions of Euros	**BNP PARIBAS GROUP** 31 December 2014	**BNP PARIBAS GROUP** 30 June 2015
Medium - and Long-Term Debt of which unexpired term to maturity is more than one year		
Debt securities as fair value through profit or loss	38,876	38,649
Other debt securities	74,322	69,713
Subordinated debt	10,746	11,388
Total Medium – and Long-Term Debt	**123,944**	**119,750**
Shareholders' Equity and Equivalents		
Issued Capital.....	2,492	2,492
Additional paid-in capital.....	24,479	24,297
Preferred shares and equivalent instruments.....	6,589	6,468
Retained earnings.....	47,895	50,434
Unrealised or deferred gains and losses attributable to shareholders	6,091	6,585
Undated participating subordinated notes.....	222	222
Undated Subordinated FRNs	1,849	1,868
Total Shareholders' Equity and Equivalents	**89,617**	**92,366**
Minority Interest	4,141	4,005
Total Capitalization	**217,702**	**216,121**

ISSUER

BNP Paribas Arbitrage Issuance B.V.
Herengracht 537
1017 BV Amsterdam
The Netherlands

ISSUER AND GUARANTOR

BNP Paribas
16 boulevard des Italiens
75009 Paris
France

PRINCIPAL SECURITY AGENT

BNP Paribas Securities Services, Paris, Succursale de Zurich
Selnaustrasse 16
P.O. Box
8022 Zurich
Switzerland

FIRST SUPPLEMENT DATED 20 November 2015
TO THE BASE PROSPECTUS DATED 8 OCTOBER 2015

BNP PARIBAS

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Issuer and Guarantor)

NOTE, WARRANT AND CERTIFICATE PROGRAMME

This first supplement (the "**First Supplement**") is supplemental to, and should be read in conjunction with the Note, Warrant and Certificate Programme base prospectus dated 8 October 2015 (the "**Base Prospectus**"), in relation to the issuance of Notes, Warrants and Certificates (as defined therein) by BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**"). Terms defined in the Base Prospectus have the same meaning when used in this Fifth Supplement.

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this First Supplement, the Base Prospectus, the documents incorporated by reference therein and the documents incorporated by reference into the Base Prospectus as a result of this First Supplement are available at the offices of the Swiss Securities Agent BNP Paribas Securities Services SA, Paris, Zurich Branch, currently located at Selnaustrasse 16, P.O. Box, CH-8022 Zurich, Switzerland, as further set out in the Base Prospectus.

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A. AMENDMENTS AND SUPPLEMENTS TO THE BASE PROSPECTUS

The Base Prospectus is hereby amended and supplemented as set forth hereafter. The references to sections and pages used below refer to the sections and pages of the Base Prospectus as approved by SIX Swiss Exchange Ltd on 8 October 2015.

RISK FACTORS

In relation to the amendments to the "Risk Factors" section of the Base Prospectus set out in this section, (i) text which, by virtue of this First Supplement, is added to the "Risk Factors" section of the Base Prospectus is shown underlined and (ii) text which, by virtue of this First Supplement, is deleted from the "Risk Factors" section of the Base Prospectus is shown with a line through the middle of the relevant deleted text.

The "Risk Factors" section of the Base Prospectus is amended as follows:

(a) The risk factor entitled "*EU Resolution and Recovery Directive*" is amended as follows:

(i) the third paragraph under the heading is amended as follows:

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures ~~or supervisory action~~ would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

(i) the sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;

(ii) ~~the creation and use of a~~ bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);

(iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and

(iv) bail-in which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Securities to equity (the **"general bail-in tool"**), which equity ~~(the "general bail-in tool")~~ could also be subject to any future application of the general bail-in tool.

and

(ii) the final paragraph under the heading is amended as follows:

In the case of Securities issued by BNPP B.V., the exercise of any power under the BRRD and its implementing provisions in respect of BNPP as Guarantor could materially adversely affect the ability of BNPP B.V. as Issuer to satisfy its obligations under any Securities, which in turn may have a material adverse effect on the rights of holders of Securities and the price or value of their investment in any Securities.

(b) The risk factor entitled "*Implementation of BRRD in France"* is amended as follows:

The implementation of the BRRD ~~in~~ into France law was made by two main texts of legislative nature. Firstly, the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (as modified by the *ordonnance* dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the **Banking Law**) ~~had anticipated the implementation of the BRRD~~ implemented partially the BRRD in anticipation. Secondly, *Ordinance* no. 2015-1024 dated 20 August 2015 (*Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the **Ordinance**) published in the Official Journal of the French Republic on 21 August 2015 has introduced various provisions amending (among others, crisis prevention and management measures applicable to credit institutions, provided for in Articles L. 613-48 et seq. of the *French Code monétaire et financier*) and supplementing the Banking Law to adapt French law to the BRRD. ~~Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree(s) and order(s) (décrets et arrêtés) implementing certain provisions of the Ordinance remain to be published to fully implement the BRRD in France.~~

~~The provisions of the French Code monétaire et financier, as amended by the Ordinance and implementing the BRRD, currently apply, except for the bail-in tool which is to be applied from 1 January 2016.~~

The *Ordinance* is for the most part currently in effect, although certain provisions, including those relating to the minimum requirement for own funds and eligible liabilities ("**MREL**") and the bail-in tool, will apply as from 1 January 2016.

Under the *Ordinance*, French credit institutions will have to meet, at all times, a minimum requirement for own funds and eligible liabilities pursuant to Article L. 613-44 of the *French Code monétaire et financier*. The MREL shall be expressed as a percentage of the total liabilities and own funds of the institution and aims at avoiding

institutions structuring their liabilities in a manner that impedes the effectiveness of the bail-in tool.

The powers set out in the BRRD and its implementing provisions will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

When the debt bail-in tool and the statutory write-down and conversion power will become applicable to the relevant Issuer or the Guarantor, the Securities may be subject to write-down or conversion into equity on any application of the bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD and its implementing provisions or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Securities and/or the ability of the relevant Issuer or the Guarantor to satisfy its obligations under any Securities.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund has established a centralised power of resolution and entrusted to a Single Resolution Board and to the national resolution authorities. Starting on 1 January 2015, the Single Resolution Board works in close cooperation with the ~~ACPR~~ *Autorité de contrôle prudentiel et de résolution*, in particular in relation to the elaboration of resolution planning, and will assume full resolution powers, on 1 January 2016 provided that the conditions for the transfer of contributions to the Single Resolution Fund are met by that date.

(c) the paragraph under the heading "*Certain Considerations Associated with Debt Securities"* is amended as follows:

An investment in Debt Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Debt Securities, Holders will receive an amount (if any) determined by reference to the ~~value~~ price or yield of the underlying debt instrument(s) (as specified in the applicable Final Terms) and/or the physical delivery of a given number of debt instrument(s). Accordingly, an investment in Debt Securities may bear similar market risks to a direct debt instrument investment, and investors should take advice accordingly. Debt Linked Interest Notes or Certificates pay interest calculated by reference to the ~~value~~ price or yield of the underlying debt instrument(s) (as specified in the applicable Final Terms).

DOCUMENTS INCORPORATED BY REFERENCE

On 30 October 2015, BNPP filed with the AMF the *Actualisation du Document de référence 2014 déposée auprès de l'AMF le 30 octobre 2015* including the unaudited financial information of BNPP as at and for the nine-month period ending 30 September 2015.

A free translation of BNPP's *Actualisation du Document de référence 2014 déposée auprès de l'AMF le 30 octobre 2015* has been filed with the AMF on 30 October 2015 for the purposes of the Prospectus Directive and, by virtue of this First Supplement and other than the sections entitled "Persons Responsible for the Update to the Registration Document", the "Table of Concordance" and any reference to a completion letter (lettre de fin de travaux) therein, is incorporated by reference in, and forms part of, the Base Prospectus.

The section "**DOCUMENTS INCORPORATED BY REFERENCE**" in the Base Prospectus is updated as follows:

(a) the text "and" at the end of paragraph (f) is deleted;

(b) the text "; and" is inserted at the end of paragraph (g);

(c) the following new paragraph (h) is added under paragraph (f):

"(h) BNPP's *Actualisation du Document de référence 2014 déposée auprès de l'AMF le 30 octobre 2015* (in English) (other than the sections entitled "Persons Responsible for the Update to the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein) (**the** "**Third Update to the BNPP 2014 Registration Document**"),"; and

(d) the following table is inserted immediately following the table entitled " *Second Update to the BNPP 2014 Registration Document*":

Third Update to the BNPP 2014 Registration Document		
1.	**Quarterly Financial Information**	Pages 3 to 71 of the Third Update to the BNPP 2014 Registration Document
1.1	Group Presentation	Page 3 of the Third Update to the BNPP 2014 Registration Document
1.2	Third Quarter 2015 Results	Pages 4 to 69 of the Third Update to the BNPP 2014 Registration Document
1.3	Balance Sheet as at 30 September 2015	Page 70 of the Third Update to the BNPP 2014 Registration Document

1.4	Long – term and short – term credit ratings	Page 71 of the Third Update to the BNPP 2014 Registration Document
1.5	Related Parties	Page 71 of the Third Update to the BNPP 2014 Registration Document
1.6	Risk Factors	Page 71 of the Third Update to the BNPP 2014 Registration Document
1.7	Recent Events	Page 71 of the Third Update to the BNPP 2014 Registration Document
2.	**Corporate Governance**	Page 72 of the Third Update to the BNPP 2014 Registration Document
3.	**Risks and Capital Adequacy (unaudited)**	Pages 73 to 77 of the Third Update to the BNPP 2014 Registration Document
4.	**Additional Information**	Pages 78 to 79 of the Third Update to the BNPP 2014 Registration Document
4.1	Documents on Display	Page 78 of the Third Update to the BNPP 2014 Registration Document
4.2	Contingent Liabilities	Page 78 of the Third Update to the BNPP 2014 Registration Document
4.3	Significant Changes	Page 79 of the Third Update to the BNPP 2014 Registration Document
4.4	Trends	Page 79 of the Third Update to the BNPP 2014 Registration Document
5.	**Statutory Auditors**	Page 80 of the Third Update to the BNPP 2014 Registration Document

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "General Information" on pages 596 et seq. of the Base Prospectus is amended as follows:

(a) The paragraphs under the heading "3. Documents Available" on pages 596 to 597 of the Base Prospectus are amended as follows:

(i) by the deletion of the word "and" from the end of sub-paragraph (xiii);

(ii) by the deletion of the "." at the end of sub-paragraph (xiv) and its replacement with "; and"; and

(iii) by the insertion of the following new sub-paragraph (xv):

"(xv) the Third Update to the BNPP 2014 Registration Document.".

(b) the table under the heading "14. Capitalization of BNPP and the BNP Paribas Group" on page 599 of the Base Prospectus is deleted and replaced with the following:

CAPITALIZATION OF BNPP AND THE BNP PARIBAS GROUP

The capitalization of BNPP and the BNPP Group as at September 30 2015

Millions of Euros	**B N P PARIBAS GROUP** December 31 2014	**B N P PARIBAS GROUP** September 30 2015
Medium-and Long Term Debt of which unexpired term to maturity is more than one year		
Debt securities at fair value through profit or lost	38,876	36,020

Other debt securities	74,322	67,484
Subordinated debt	10,746	12,149
Total Medium and Long-Term Debt.....	**123,944**	**115,653**
Shareholders' Equity and Equivalents		
Issued Capital	2,492	2,493
Additional paid-in capital.....	24,479	24,370
Preferred shares and equivalent instruments……..	6,589	7,818
Retained earnings	47,895	51,364
Unrealized or deferred gains and losses attributable to shareholders	6,091	6,155
Undated participating subordinated notes	222	222
Undated Subordinated FRNs.....	1,849	1,803
Total Shareholders' Equity and Equivalents	**89,617**	**94,225**
Minority Interest.....	4,141	4,004
Total Capitalization	**217,702**	**213,882**

B. RESPONSIBILITY

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of BNP Paribas Arbitrage Issuance B.V.

Paris, dated 20 November 2015:

By:

Cézar A. NASTASA

Signed on behalf of BNP Paribas

Paris, dated 20 November 2015:

By:

Michel Konczaty

Deputy Chief Operating Officer

SECOND SUPPLEMENT DATED 7 January 2016
TO THE BASE PROSPECTUS DATED 8 OCTOBER 2015

BNP PARIBAS

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Issuer and Guarantor)

NOTE, WARRANT AND CERTIFICATE PROGRAMME

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with the Note, Warrant and Certificate Programme base prospectus dated 8 October 2015 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 20 November 2015 (the "**First Supplement**"), in each case, in relation to the issuance of Notes, Warrants and Certificates (as defined therein) by BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**"). Terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this Second Supplement, the Base Prospectus, the documents incorporated by reference therein and the documents incorporated by reference into the Base Prospectus as a result of this Second Supplement are available at the offices of the Swiss Securities Agent BNP Paribas Securities Services SA, Paris, Zurich Branch, currently located at Selnaustrasse 16, P.O. Box, CH-8022 Zurich, Switzerland, as further set out in the Base Prospectus.

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A. AMENDMENTS AND SUPPLEMENTS TO THE BASE PROSPECTUS 3

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A. AMENDMENTS AND SUPPLEMENTS TO THE BASE PROSPECTUS

The Base Prospectus is hereby amended and supplemented as set forth hereafter. The references to sections and pages used below refer to the sections and pages of the Base Prospectus as approved by SIX Swiss Exchange Ltd on 8 October 2015.

DOCUMENTS INCORPORATED BY REFERENCE

On 28 December 2015, BNPP filed with the AMF the *Actualisation du Document de référence 2014 déposée auprès de l'AMF le 28 décembre 2015* including a press release on the completed 2015 Supervisory Review and Evaluation Process (SREP).

A free English translation of BNPP's *Actualisation du Document de référence 2014 déposée auprès de l'AMF le 28 décembre 2015* has been filed with the AMF on 28 December 2015 for the purposes of the Prospectus Directive and, by virtue of this Second Supplement and other than the sections entitled "Persons Responsible for the Update to the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein, is incorporated by reference in, and forms part of, the Base Prospectus.

The section "**DOCUMENTS INCORPORATED BY REFERENCE**" in the Base Prospectus, as amended by the Previous Supplement is updated as follows:

(a) the text "and" (which was added to the Base Prospectus by virtue of the First Supplement) at the end of paragraph (g) is deleted;

(b) the text "; and" is inserted at the end of paragraph (h) (which was added to the Base Prospectus by virtue of the First Supplement);;

(c) the following new paragraph (i) is added under paragraph (h) (which was added to the Base Prospectus by virtue of the First Supplement);:

"(i) the *Actualisation du Document de référence 2014 déposée auprès de l'AMF le 28 décembre 2015* (in English) (other than the sections entitled "Person Responsible for the Update to the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein) (the "**Fourth Update to the BNPP 2014 Registration Document**").";
and

(d) the following table is inserted immediately following the table entitled " Third Update to the BNPP 2014 Registration Document":

Fourth Update to the BNPP 2014 Registration Document

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "General Information" on pages 596 et seq. of the Base Prospectus is amended as follows:

(a) The paragraphs under the heading "3. Documents Available" on pages 596 to 597 of the Base Prospectus are amended as follows:

(i) by the deletion of the word "and" from the end of sub-paragraph (xiv);

(ii) by the deletion of the "." at the end of sub-paragraph (xv) and its replacement with "; and"; and

(iii) by the insertion of the following new sub-paragraph (xvi):

"(xvi) the Fourth Update to the BNPP 2014 Registration Document.".

B. RESPONSIBILITY

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of BNP Paribas Arbitrage Issuance B.V.

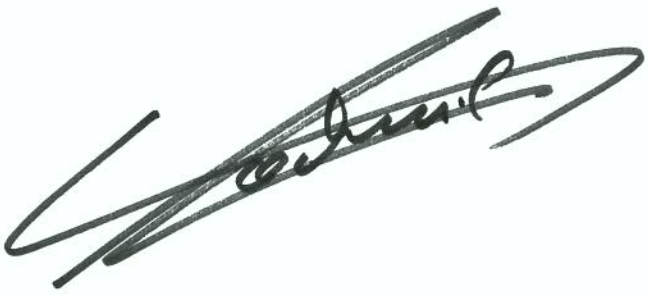
Paris, dated 7 January 2016:

By: Cézar A. NASTASA

Signed on behalf of BNP Paribas

Paris, dated 7 January 2016:

By:



Lars Machenil In his capacity as Chief Financial Officer