SecurAsset

(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 20, rue de la Poste, Luxembourg L-2346 and registered with the Luxembourg trade and companies register under number B 144385)

Secured Note, Warrant and Certificate Programme

Under this €20,000,000,000 Secured Note, Warrant and Certificate Programme (the "**Programme**"), SecurAsset S.A. (the "**Issuer**" or "**SecurAsset**") may from time to time issue notes (the "**Notes**"), warrants (the "**Warrants**") or certificates (the "**Certificates**" and, together with the Notes and Warrants, the "**Securities**"), in the case of Notes or Certificates denominated, or in the case of Warrants, issued and exercisable in any currency agreed by the Issuer and the relevant Dealer (as defined below). The Issuer is subject to the Grand Duchy of Luxembourg ("**Luxembourg**") act dated 22 March 2004 on securitisation, as amended (the "**Securitisation Act 2004**"). Under the Securitisation Act 2004, the Issuer, as a regulated entity within the meaning of the Securitisation Act 2004, is entitled to issue Securities or shares to the public on an ongoing basis. Shares will not be issued under this Base Prospectus. The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €20,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement, as defined below) or such greater amount as is agreed between the parties in the dealer agreement dated 6 February 2009 as most recently amended and restated on 27 November 2015 (the "**Dealer Agreement**", which expression includes the same as it may be modified and/or supplemented and/or restated from time to time).

The Securities may be issued to BNP Paribas Arbitrage S.N.C. (in its capacity as Dealer) and may be issued to any additional dealer appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**"). The terms and conditions of the Notes (the "**Terms and Conditions of the Notes**") are set out in "*Terms and Conditions of the Notes*". Notes may be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**"). The terms and conditions of the Warrants (the "**Terms and Conditions of the Warrants**") are set out in "*Terms and Conditions of the Warrants*" and the terms and conditions of the Certificates (the "**Terms and Conditions of the Certificates**" and together with the Terms and Conditions of the Notes and the Terms and Conditions of the Warrants, the "**Conditions**") are set out in "*Terms and Conditions of the Certificates*".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") to approve this document as a base prospectus in its capacity as competent authority under the Luxembourg act dated 10 July 2005 on prospectuses for securities (the "**Prospectus Act 2005**") which implemented Directive 2003/71/EC of the European Parliament and of the Council of the European Union, as amended, (the "**Prospectus Directive**") in Luxembourg. In addition, application has been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market, which is a regulated market for the purposes of European Directive 2004/39/EC, and to be listed on the Official List of the Luxembourg Stock Exchange. In accordance with Article 7(7) of the Prospectus Act 2005, the CSSF gives no undertakings as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

The Securities will be issued in Series (as defined in the Conditions). Notice of the aggregate nominal amount of a Series of Notes, the interest (if any) payable in respect of such Notes, the issue price of the Notes and any other terms and conditions not contained herein which are applicable to that Series (and/or Tranche, as the case may be) (as defined in the Conditions) of Notes will be completed in respect of those Notes in a final terms document (the "**Notes Final Terms**") which (except in the case of Private Placement Notes (as defined below)) will be filed with the CSSF. Notice of the aggregate number and type of a Series of Warrants, the exercise period or exercise date of the Warrants, the issue price of the Warrants and any other terms and conditions not contained herein which are applicable to each Series (and/or Tranche, as the case may be) of Warrants will be completed in a final terms document (the "**Warrant Final Terms**") which (except in the case of Private Placement Warrants (as defined below)) will be filed with the CSSF. Notice of the aggregate notional amount of a Series of Certificates, the interest (if any) payable in respect of such Certificates, the issue price of the Certificates and any other terms and conditions not contained herein which are applicable to each Series (and/or Tranche, as the case may be) of Certificates will be completed in a final terms document (the "**Certificates Final Terms**" and, together with the Notes Final Terms and Warrant Final Terms, referred to in this Base Prospectus as the "**Final Terms**") which (except in the case of Private Placement Certificates (as defined below)) will be filed with the CSSF.

The Programme provides that the Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, any relevant Guarantor (as defined below) and the relevant Dealer. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market. This Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) in accordance with article 16 of the Prospectus Act 2005. For the avoidance of doubt, the content of the website of the Luxembourg Stock Exchange does not form part of this Base Prospectus. Copies of this Base Prospectus can also be obtained at the specified office of the Issuing and Paying Agent and Principal Warrant and Certificate Agent (each as defined below) at the address given at the end of this Base Prospectus.

In accordance with the Securitisation Act 2004, the Issuer may create one or more compartments. In respect of any Series of Securities, "**Compartment**" means the compartment under which such Securities are issued. Each Compartment will comprise a pool of Charged Assets (as defined below) of the Issuer separate from the pools of Charged Assets relating to other Compartments. Each Series may (if so stated in the applicable Final Terms) be secured by a charge on, or assignment in respect of rights under, certain bonds, notes, warrants, receivables or equity securities of any form, denomination, type or issuer, guarantees, units in funds, loans or any other financial obligations assigned to or assumed by the Issuer or any other specified assets owned by the Issuer (the "**Compartment Assets**") and funds held from time to time by the Custodian and/or the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable and/or the Registrar (each as defined herein) for payments due under the Securities of such Series (the "**Cash Assets**") and/or secured by an assignment of the Issuer's rights under an interest rate and/or currency exchange agreement or credit default swap agreement or total return swap agreement or other derivative transaction (the "**Swap Agreement**") (as defined in the Conditions) and/or a deposit agreement (the "**Deposit Agreement**") and/or a repurchase agreement (the "**Repurchase Agreement**") entered into in respect of the relevant Notes, Warrants or Certificates, together with such additional security as may be described in the applicable Final Terms (together with the Compartment Assets, the Cash Assets, the Swap Agreement, the Deposit Agreement and the Repurchase Agreement, the "**Charged Assets**"). Any securities comprised in the Charged Assets may, subject as provided herein, be substituted by cash and/or other securities (as set out in the Conditions). The obligations of the Issuer under a Swap Agreement to a counterparty to such Swap Agreement may also be secured on certain assets comprised in the Charged Assets. A non-exhaustive list of considerations relating to the Securities is set out in the section herein entitled "*Risk Factors*" and certain important notices relating to the Securities are set out in the section herein entitled "*Important Notices*".

Payments in respect of the Notes or, as applicable, Warrants or Certificates may be unconditionally and irrevocably guaranteed by BNP Paribas S.A. ("**BNPP**" or "**BNP Paribas**") or, in respect of Securities with a denomination (in the case of Notes), issue price (in the case of Warrants) or notional amount (in the case of Certificates) of at least €100,000 only, Banca Nazionale del Lavoro S.p.A. ("**BNL**") (each a "**Guarantor**") (any such Notes, "**Guaranteed Notes**", any such Warrants, "**Guaranteed Warrants**" and any such Certificates, "**Guaranteed Certificates**" and generally "**Guaranteed Securities**").

In respect of any Compartment and any Security (but without prejudice to the rights of holders of Guaranteed Securities, all payments to be made by the Issuer in respect of such Security and the related Swap Agreement, Repurchase Agreement and/or Deposit Agreement (if any) will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Charged Assets and, following a Note Acceleration, Warrant Acceleration or Certificate Acceleration in respect of such Note or such Warrant or such Certificate, as applicable (but without prejudice to the rights of

holders of Guaranteed Securities under the relevant Guarantee), the entitlement of the holder of such Note (a "**Noteholder**") or the holder of such Warrant (a "**Warrantholder**") or the holder of such Certificate (a "**Certificateholder**") will be limited to such Noteholder, Warrantholder or Certificateholder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms and, in the case of Guaranteed Securities, sums obtained on their behalf by the Trustee, making a claim under the applicable Guarantee, subject to the Conditions and relevant provisions of the applicable Guarantee. If, in respect of any Security, the net proceeds of the enforcement or liquidation of the relevant Charged Assets applied as aforesaid are not sufficient to make all payments due in respect of such Security, no other assets of the Issuer will be available to meet such shortfall, and the claims of the holder of such Security (each, a "**Holder of Securities**") as against the Issuer in respect of any such shortfall shall be extinguished. In all cases, neither the Holder of Securities nor any person on its behalf shall have the right to petition for the winding-up of the Issuer as a consequence of any shortfall. Holders of Securities, by acquiring the Securities, expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and, in particular, the provisions with respect to compartments, limited recourse, non-petition, subordination and priority of payments.

Securities may be rated or unrated as specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold Securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger for the Programme

BNP Paribas Arbitrage S.N.C.

The date of this Base Prospectus is 27 November 2015

Notes, Warrants or Certificates (i) involving an offer to the public outside the European Economic Area (the "EEA") or of a type listed in article 3.2 of the Prospectus Directive and article 5.2 of the Prospectus Act 2005 and (ii) which are not admitted to trading on a regulated market under article 3.3 of the Prospectus Directive and article 6.1 of the Prospectus Act 2005 are referred to herein as "Private Placement Notes", "Private Placement Warrants" or "Private Placement Certificates" (together with Private Placement Notes and Private Placement Warrants, "Private Placement Securities"), as appropriate.

This Base Prospectus constitutes a "base prospectus" for the purposes of Article 5.4 of the Prospectus Directive as amended (including the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a Member State of the European Economic Area) and Part II of the Prospectus Act 2005 in respect of the Securities.

The Securities and any Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under any state securities laws and include Securities in bearer form that are subject to U.S. tax law requirements. Accordingly, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. By its purchase of a Security, each purchaser will be deemed or required, as the case may be, to have agreed that it may not resell or otherwise transfer any Security held by it except (i) to the Issuer or any affiliate thereof or (ii) outside the United States to or for the account of a non-U.S. person in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with all applicable U.S. state securities laws.

THE SECURITIES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE A SECURITY UNLESS SUCH INVESTOR UNDERSTANDS, AND IS ABLE TO BEAR, THE YIELD, MARKET, LIQUIDITY, STRUCTURE, REDEMPTION AND OTHER RISKS ASSOCIATED WITH SUCH SECURITY. FOR FURTHER DETAILS, SEE "*RISK FACTORS*" HEREIN.

Each of the Issuer (in respect of all of the information contained in this Base Prospectus), BNP Paribas (in respect of information concerning itself), BNL (in respect of information concerning itself) and BNP Paribas Fortis SA/NV (in respect of information concerning itself) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer, BNP Paribas, BNL and BNP Paribas Fortis SA/NV (each having taken all reasonable care to ensure that such is the case), the information contained (or incorporated by reference, including the free English translations of the documents constituting the BNP Paribas Disclosure and the BNL Disclosure) in this Base Prospectus for which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Securities are the persons named in the applicable Final Terms as the relevant Dealer(s) and the persons named in or identifiable from the applicable Final Terms as the Authorised Offeror (as defined below), as the case may be.

Copies of Final Terms will be available free of charge from the specified office of the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable (each as defined below), at the address given at the end of this Base Prospectus (provided that Final Terms relating to Private Placement Securities which are not publicly offered in Luxembourg will only be available for inspection by the relevant Holder of Securities upon production of evidence satisfactory to the Issuer or Paying Agent or Principal Warrant and Certificate Agent (as applicable) as to its holding of such Private Placement Securities and identity). This Base Prospectus and any Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

None of the Trustee, the Arranger, the Agents or any Dealer 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 Dealer, any Agent, the Arranger or the Trustee as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by either the Issuer or any Guarantor. None of the Trustee, the Arranger, the Agents or any Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by either the Issuer or any Guarantor in connection with the Programme or the Securities.

No person is or has been authorised by either of the Issuer or the Guarantor (if applicable) to give any information or to make any representation not contained in or not consistent with this Base Prospectus 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 any of the Issuer, the Guarantor (if applicable) or any Dealer.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or a statement of opinion (or a report on either of those things) by any of the Issuer, the Guarantor (if applicable), the Trustee, the Arranger, the Agents or any Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or the 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 or value (as appropriate), of the Issuer, any underlying reference asset or entity, and, if applicable, the Guarantor, and the Charged Assets. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the Securities constitutes an offer or invitation by or on behalf of any of the Issuer, the Guarantor (if applicable), the Trustee, the Arranger, the Agents or any Dealer to any person to subscribe for or to purchase any Securities.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning any of the Issuer or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Securities is correct as of any time subsequent to the date indicated in the document containing the same. No Dealer undertakes to review the financial condition or affairs of any of the Issuer or either Guarantor during the life of the Programme or to advise any investor in the Securities of any information coming to its attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor (if applicable), the Trustee and the Dealer(s) represents that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantor (if applicable), the Trustee or any Dealer which is intended to permit a public offering of any Securities or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Security comes must inform themselves about, and observe, any such restrictions on the distribution of this

Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the European Economic Area, Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Spain, the United Kingdom, and the United States (see "*Subscription, Sale and Transfer Restrictions*").

By subscribing to, or otherwise acquiring, the Securities, a holder of Securities expressly acknowledges and agrees that:

(a) the Issuer (i) is subject to the Securitisation Act 2004 and (ii) in connection with the Securities has created a specific Compartment, which Compartment shall be identified by the number ascribed to it in the applicable Final Terms and is a Compartment within the meaning of the Securitisation Act 2004 to which all assets, rights, claims and agreements relating to the Securities will be allocated, subject as provided in the applicable Final Terms;

(b) the provisions with respect to the Order of Priority included in the applicable Final Terms will apply;

(c) (without prejudice to the rights of holders of Guaranteed Securities under the Guarantee) all payments to be made by the Issuer in respect of the Securities and the related Swap Agreement (if any) will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or (following enforcement of the security over the Compartment Assets) the Trustee in respect of the Charged Assets and, following a Note, Warrant or Certificate Acceleration (as the case may be) in respect of the Securities, the entitlement of the holder of Securities will be limited to such holder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms and not to the assets allocated to other compartments created by the Issuer or to any other assets of the Issuer and, in the case of Guaranteed Securities, (and, in addition in the case of Global Securities, sums obtained on behalf of holders of Securities by the Trustee, making a claim under the Guarantee), subject to the terms set out in the applicable Final Terms (if applicable) and the relevant provisions of the Guarantee and each holder of Securities further acknowledges and agrees that the Trustee is not obliged to take any action to enforce the obligations of the Issuer or the Guarantor (if applicable) unless directed to do so and indemnified and/or secured to its satisfaction against any liability it may incur;

(d) once all moneys received by the Trustee in connection with the enforcement of the Compartment Security over the Charged Assets have been applied in accordance with the Order of Priority set out in the applicable Final Terms and in the Master Trust Terms, it is not entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished;

(e) it shall have no right to attach or otherwise seize the Charged Assets or any other assets of the Issuer, including, without limitation, any assets allocated to any other compartments of the Issuer; and

(f) no holder of Securities shall be entitled to petition or take any other step for the liquidation, winding-up or the bankruptcy of the Issuer or any similar proceedings.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

Information relating to the use of this Base Prospectus and offer of Securities generally

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in that

Relevant Member State of Securities which are the subject of an offering contemplated in this Base Prospectus as completed by the Final Terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State, or where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by the Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent that sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor will they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Restrictions on Non-exempt offers of Securities in Relevant Member States

Without prejudice to the generality of the foregoing paragraph, certain issues of Securities with a denomination (in the case of Notes), notional amount (in the case of Certificates) or issue price (in the case of Warrants), as the case may be, of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "**Non-exempt Offer**". This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Securities. However, any person making or intending to make a Non-exempt Offer of Securities in any Relevant Member State may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" (below) and the conditions attached to that consent are complied with by the person making the Non-exempt Offer of such Securities.

Save as provided above, the Issuer has not authorised, nor will it authorise, the making of any Non-exempt Offer of Securities in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of a Non-exempt Offer of such Securities, the Issuer, BNP Paribas (in respect of information concerning itself) and BNL (in respect of information concerning itself) accept responsibility, in the jurisdictions to which the consent to use the Base Prospectus extends, for the content of this Base Prospectus under Article 6 of the Prospectus Directive in relation to any person (an "**Investor**") who acquires any Securities in a Non-exempt Offer made by any person to whom the Issuer has given consent to the use of this Base Prospectus (an "**Authorised Offeror**") in that connection.

None of the Issuer, BNP Paribas or BNL makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and has any responsibility or liability for the actions of that Authorised Offeror.

SAVE IN RESPECT OF AN AUTHORISED OFFER BY AN AUTHORISED OFFEROR, NONE OF THE ISSUER, BNP PARIBAS OR BNL HAS AUTHORISED THE MAKING OF ANY NON-EXEMPT OFFER BY ANY OFFEROR AND NONE OF THE ISSUER, BNP PARIBAS OR BNL HAVE CONSENTED TO THE USE OF THIS BASE PROSPECTUS BY ANY OTHER PERSON

IN CONNECTION WITH ANY NON-EXEMPT OFFER OF SECURITIES. ANY NON-EXEMPT OFFER MADE WITHOUT THE CONSENT OF THE RELEVANT ISSUER IS UNAUTHORISED AND NEITHER THE ISSUER, BNP PARIBAS NOR BNL ACCEPTS ANY RESPONSIBILITY OR LIABILITY FOR THE ACTIONS OF THE PERSONS MAKING ANY SUCH UNAUTHORISED OFFER.

If, in the context of a Non-exempt Offer, an Investor is offered Securities by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive in the context of the Non-Exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, it should take legal advice.

Consent

In connection with each issue of Securities and subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with any Non-exempt Offer of such Securities by the relevant Dealer during the relevant Offer Period and in the relevant Public Offer Jurisdiction(s) (being Belgium, France, Germany, Italy, Luxembourg, Poland and/or Spain as is specified in the applicable Final Terms) and by any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the following website (www.securasset.lu) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE OFFEROR WILL PROVIDE SUCH INFORMATION TO THE INVESTOR AT THE TIME OF SUCH OFFER AND THE OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER, GUARANTOR OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

INTERPRETATION

All references in this document to U.S. dollars, U.S.$ or USD refer to the currency of the United States of America, those to sterling and £ refer to the currency of the United Kingdom, those to Australian dollars refer to the currency of Australia and those to euro, Euro, EUR and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

FORWARD-LOOKING STATEMENTS

The "*Summary*" section of this Base Prospectus, the BNP Paribas Disclosure and the BNL Disclosure (each as defined in "*Documents Incorporated by Reference*" below), contain forward-looking statements. BNP Paribas, the BNP Paribas Group (being BNP Paribas together with its consolidated subsidiaries, the "**BNPP Group**") and BNL 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 BNP Paribas', BNL's and/or the BNPP 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 BNP Paribas, BNL and the BNPP 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.

BNP Paribas' and BNL's consolidated financial statements for the years ended 31 December 2013 and 31 December 2014 have each been prepared in accordance with international financial reporting standards ("**IFRS**"), as adopted by the European Union. The BNPP Group's fiscal year ends on 31 December and references in the BNPP 2013 Registration Document (as defined in "*Documents Incorporated By Reference" below*), the BNPP 2014 Registration Document (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 twelve month period ended 31 December of such year.

The financial statements for the years ended 31 December 2013 and 31 December 2014 of SecurAsset S.A. were prepared in accordance with Luxembourg generally accepted accounting principles.

Due to rounding, the numbers presented throughout the BNP Paribas Disclosure and the BNL Disclosure may not add up precisely, and percentages may not reflect precisely absolute figures.

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SUMMARY

*Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary relating to the type of securities that may be issued by the Issuer (as defined below) pursuant to its EUR20,000,000,000 secured note, warrant and certificate programme (the "**Programme**"). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of a feature of the securities, it is possible that no relevant information can be given regarding the Element. In this case, a short explanation has been provided to summarise why no relevant information can be given.*

Section A - Introduction and warnings

Element	Title	
A.1	Warning that the summary should be read as an introduction and provision as to claims	This summary should be read as an introduction to the base prospectus relating to the Programme (the "**Base Prospectus**"). Any decision to invest in the securities described herein should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent as to use the Base Prospectus, period of validity and other conditions attached	[The [Notes][Warrants][Certificates] (which have a denomination of less than €100,000 (or its equivalent in any other currency)) may be offered in circumstances where there is no exemption from the obligation under Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**") to publish a prospectus. Any such offer is referred to as a "**Non-exempt Offer**".] [The Issuer consents to the use of the Base Prospectus in connection with a resale or placement of the [Notes][Warrants][Certificates] (the "**Public Offer**") subject to the following conditions: (a) the consent is only valid during the period from [*specify date*] [inclusive][exclusive] to [*specify date*] [inclusive][exclusive] (the "**Offer Period**"); (b) the only person[s] authorised to use the Base Prospectus to make the Public Offer [is][are] [*specify*]; and (c) the consent only extends to the use of the Base Prospectus for the purposes of the Public Offer in [Belgium] [France] [Germany] [Italy] [Luxembourg] [Poland] [Spain].] [New information with respect to any person[s] authorised to use this Base Prospectus to make the Public Offer (an "**Authorised Offeror**") unknown at [*specify date of filing of the final terms*] will be available at **[***specify website***].**]
		AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY [NOTES][WARRANTS][CERTIFICATES] IN A NON-EXEMPT

Element	Title	
		OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE OFFEROR WILL PROVIDE SUCH INFORMATION TO THE INVESTOR AT THE TIME OF SUCH OFFER AND THE OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER[, GUARANTOR] OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Section B - Issuer [and Guarantor]

Element	Title	
B.1	Legal and commercial name of the Issuer	The issuer is SecurAsset S.A., and is acting through its Compartment [*specify name of the relevant Compartment*] (the "**Issuer**").
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer is a public limited liability company (société anonyme) whose activities are subject to the Grand Duchy of Luxembourg ("**Luxembourg**") act dated 22 March 2004 on securitisation, as amended (the "**Securitisation Act 2004**"). The Issuer was incorporated and is domiciled in the Grand Duchy of Luxembourg.
B.16	Direct and indirect ownership and control	All the shares in the Issuer are held by Stichting AssetSecur, a foundation duly incorporated under the laws of The Netherlands.
[B.17	Solicited credit ratings	The [Notes][Warrants][Certificates] are [unrated]/ are [expected] to be rated [●] by [●]/[●] is a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011.]
[B.18	Description of the Guarantee	Certain of the Issuer's payment obligations in respect of the [Notes][Warrants][Certificates] are guaranteed by the Guarantor (as defined below) pursuant to a guarantee (the "**Guarantee**"). [The Guarantee is a guarantee of the Issuer's obligations which are themselves limited by a number of factors including, but not limited to, the provisions of the Securitisation Act 2004 and the terms and conditions of the [Notes][Warrants][Certificates] (the "**Terms and Conditions**"), including, without limitation, those relating to (i) the applicable redemption amount [(which will be limited to the liquidation proceeds ("**Liquidation Proceeds**") of the Charged Assets (as defined below) of Compartment [*specify*] relating to the [Notes][Warrants][Certificates])], (ii) the corporate structure of the Issuer whereby its assets are held through separate compartments, (iii) limited recourse, (iv) non-petition, (v) subordination and (vi) the priority of payments applicable to the [Notes][Warrants][Certificates].] [*Include where BNPP is the Guarantor and "General Guarantee" is applicable in respect of the Notes/Warrants/Certificates.*] [The Guarantee relates only to the payment of any Shortfall Amount (as summarised below) and is conditional on (i) the holders of the [Notes][Warrants][Certificates] ("**Holders**" or ["**Noteholders**"]["**Warrantholders**"]["**Certificateholders**"]) receiving less than the amount which would otherwise have been payable in respect of the

		[Notes][Warrants][Certificates] on their [Maturity Date][Redemption Date][Settlement Date][Early Redemption Date][Automatic Early Settlement Date][Early Termination Date] in accordance with the Terms and Conditions and (ii) the liquidation of the Charged Assets (either following enforcement of the security for the [Notes][Warrants][Certificates] or following the occurrence of an [Early Redemption Event][Early Termination Event] (as defined below)). The "**Shortfall Amount**" represents the amount by which any available proceeds of enforcement are insufficient to meet (1) amounts due to [Noteholders][Warrantholders][Certificateholders] on the [Maturity Date][Redemption Date][Settlement Date][Early Redemption Date][Automatic Early Redemption Date][Early Termination Date] (a "**Final Payment Amount**"), (2) the fair market value of the relevant [Notes][Warrant][Certificate] following an Event of Default (as defined below) (other than an Event of Default resulting from a failure to pay the relevant Final Payment Amount) or (3) [*specify any other relevant amount*]][*Include where BNPP is the Guarantor and "Shortfall Guarantee" is applicable in respect of the Notes/Warrants/Certificates.*] [The Guarantee is limited to those payment obligations in respect of the [Notes][Warrants][Certificates] which the Issuer fails to fulfil as a consequence of a failure by the Swap Counterparty (as defined below) to satisfy its payment obligations under the Swap Agreement (as defined below) as and when the same become due, and does not extend to any failure by the Issuer to fulfil its payment obligations for any other reasons. In circumstances where the Issuer is unable to meet some or all of its payment obligations under the [Notes][Warrants][Certificates] because of both a failure by the Swap Counterparty to pay amounts when due from the Swap Counterparty under the Swap Agreement and for other reasons, the Guarantor's obligations under the BNL Guarantee will be limited to the extent of the failure of the Swap Counterparty to satisfy its payment obligations under the Swap Agreement as and when the same become due. [*Include where "BNL Guarantee" is applicable in respect of the Notes/Warrants/Certificates.*] [The maximum amount that the Guarantor may be required to pay or indemnify in respect of its obligations as Guarantor under the Guarantee shall not exceed an aggregate principal amount which will be notified to investors following the conclusion of the Offer Period.]]
B.19	[Information about the Guarantor	
B.19/B.1	Legal and commercial name of the Guarantor	The guarantor (the "**Guarantor**") is [BNP Paribas] [Banca Nazionale del Lavoro S.p.A. ("**BNL**").] [*NB: BNL may only be a guarantor if the Securities have a denomination, issue price or notional amount of at least EUR100,000 or its equivalent in other currencies.*]
B.19/B.2	Domicile/ legal form/ legislation/ country of incorporation	[BNP Paribas is a French law *société anonyme* incorporated in France and licensed as a bank. BNP Paribas is domiciled in France and operates under French law.] [Banca Nazionale del Lavoro S.p.A. is a stock corporation incorporated under Italian law and registered with the Italian Register of Banks at Banca d'Italia. BNL is domiciled in Italy and operates under Italian law.]
[B.19/B.4b	Trend information	(*Delete this Element B.19/B.4B if BNL is Guarantor*) ***Macro-economic environment*** Market and macroeconomic conditions affect BNPP's results. The nature of BNPP's business makes it particularly sensitive to macroeconomic and market conditions in Europe, which have been difficult and volatile in recent

		years. In 2014, the global economy continued its slow recovery but there remain uncertainties, in particular in Europe where the economic performance during the second half of 2014 was weaker than expected. IMF and OECD[1] economic forecasts for 2015 indicate a continuation of moderate growth in developed economies but with differences between countries, including in the euro-zone, where growth is forecast to be weak in certain countries (including France and Italy). The forecast is similar for emerging markets (i.e., moderate growth but with areas of weakness). Short term risks to macroeconomic growth highlighted by the IMF include heightened geopolitical tensions and increased financial market volatility; medium-term risks highlighted include weak economic growth or stagnation in developed countries. Deflation remains a risk in the euro-zone, although the risk has been reduced through the ECB's announcement of non-conventional policy measures. ***Legislation and Regulations Applicable to Financial Institutions*** Laws and regulations applicable to financial institutions that have an impact on BNPP have significantly evolved. The measures that have been proposed and/or adopted in recent years include more stringent capital and liquidity requirements (particularly for large global banking groups such as BNPP), taxes on financial transactions, restrictions and taxes on employee compensation, limits on the types of activities that commercial banks can undertake and ring-fencing or even prohibition of certain activities considered as speculative within separate subsidiaries, restrictions on certain types of financial products, increased internal control and reporting requirements, more stringent conduct of business rules, mandatory clearing and reporting of derivative transactions, requirements to mitigate risks in relation to over-the-counter derivative transactions and the creation of new and strengthened regulatory bodies. The measures that were recently adopted, or that are (or whose implementation measures are) in some cases proposed and still under discussion, that have or are likely to affect BNPP, include in particular the French Ordinance of June 27, 2013 relating to credit institutions and financing companies ("**Sociétés de financement**"), which came into force on January 1, 2014 and the French banking law of 26 July 2013 on the separation and regulation of banking activities and the related implementing decrees and orders and the Ordinance of 20 February 2014 for the adaptation of French law to EU law with respect to financial matters; the Directive and Regulation of the European Parliament and of the Council on prudential requirements "CRD 4/CRR" dated 26 June 2013 (and the related delegated and implementing acts) and many of whose provisions have been applicable since January 1, 2014; the regulatory and implementing technical standards relating to the Directive and Regulation CRD 4/CRR published by the European Banking Authority; the designation of BNPP as a systemically important financial institution by the Financial Stability Board and the consultation for a common international standard on total loss-absorbing capacity ("TLAC") for global systemically important banks; the public consultation for the reform of the structure of the EU banking sector of 2013 and the proposal for a Regulation of the European Parliament and of the Council of 29 January 2014 on structural measures to improve the resilience of EU credit institutions; the proposal for a Regulation of the European Parliament and of the Council of 18 September 2013 on indices used as benchmarks in financial instruments and financial contracts; the Regulation of the European Parliament and of the Council of 16 April 2014 on market abuse and the Directive of the European Parliament and of the Council of 16

[1] See in particular: International Monetary Fund. World Economic Outlook (WEO) Update, January 2015: Gross Currents; International Monetary Fund. 2014 ; International Monetary Fund. World Economic Outlook: Legacies, Clouds, Uncertainties. Washington (October 2014) ; OECD - Putting the Euro area on a road to recovery - C. Mann - 25 November 2014

		April 2014 on criminal sanctions for market abuse; the Directive and the Regulation of the European Parliament and of the Council on markets in financial instruments of 15 May 2014; the European Single Supervisory Mechanism led by the European Central Bank adopted in October 2013 (Council Regulation of October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions and the Regulation of the European Parliament and of the Council of 22 October 2013 establishing a European Supervisory Authority as regards the conferral of specific tasks on the European Central Bank (and the related delegated and implementing acts)), as well as the related French Ordinance of 6 November 2014 for the adaptation of French law to the single supervisory mechanism of the credit institutions; the Directive of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes, which strengthens the protection of citizens' deposits in case of bank failures (and the related delegated and implementing acts); the Directive of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, which harmonizes the tools to address potential bank crises; the Single Resolution Mechanism adopted by the European Parliament on 15 April 2014 (Regulation 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, and the related delegated and implementing acts), which provides for the establishment of a Single Resolution Board as the authority in charge of the implementation of the Single Resolution Mechanism and the establishment of the Single Resolution Fund; the Delegated Regulation on the provisional system of instalments on contributions to cover the administrative expenditures of the Single Resolution Board during the provisional period adopted by the European Commission on 8 October 2014, the implementing Regulation of the Council of 19 December 2014 specifying uniform conditions for the ex-ante contribution to the Single Resolution Fund; the U.S. Federal Reserve's final rule imposing enhanced prudential standards on the U.S. operations of large foreign banks; the "Volcker Rule" imposing certain restrictions on investments in or sponsorship of hedge funds and private equity funds and proprietary trading activities of U.S. banks and non-U.S. banks adopted by the U.S. regulatory authorities in December 2013; and the final U.S. credit risk retention rule adopted on 22 October 2014. More generally, regulators and legislators in any country may, at any time, implement new or different measures that could have a significant impact on the financial system in general or BNPP in particular.]
B.19/B.5	Description of the Group	[*if BNP Paribas is Guarantor:* BNP Paribas 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 "**BNPP Group**").] [*if BNL is Guarantor:* BNL is the holding company of the Banca Nazionale del Lavoro Group. BNL is part of the BNP Paribas Group, of which BNP Paribas S.A. is the parent company (the "**BNPP Group**"). Please also see Element B.19/B.16.]
B.19/B.9	Profit forecast or estimate	Not applicable as there are no profit forecasts or estimates made in respect of the Guarantor in the Base Prospectus to which this Summary relates.
B.19/B.10	Audit report qualifications	Not applicable as the relevant auditors' reports with respect to the audited annual accounts for the Guarantor for the years ended 31 December 2014 and 31 December 2013 were delivered without any qualifications.

B.19/B.12	Selected historical key financial information and confirmations relating to material adverse changes in the prospects of the Guarantor and to significant changes in the financial or trading position of the Guarantor.	[*Insert where BNP Paribas is the Guarantor:* **Selected 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 IFRS10, IFRS11 and IAS32.* **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 IAS32 revised.* **Selected Comparative Unaudited Interim Financial Data for the nine-month period ended 30 September 2015 - In millions of EUR** **9M15 / 9M14*** Revenues: 32,489 / 29,018 Cost of risk: (2,829) / (2,693) Net income, Group share: 6,029 / (1,220) **30/09/2015 / 31/12/2014*** Common equity Tier 1 ratio (Basel 3 fully loaded, CRD4): 10.7% / 10.3% Total consolidated balance sheet: 2,145,416 / 2,077,758 Consolidated loans and receivables due from customers: 676,548 / 657,403 Consolidated items due to customers: 675,143 / 641,549 Shareholders' equity (Group share): 94,788 / 89,458 * Restated according to the IFRIC 21 Interpretation. [Not applicable as there has been no significant change in the financial or trading position of BNP Paribas since 30 September 2015 (being the end of the last financial period for which interim financial statements have been published.] [*Insert where BNL is the Guarantor:* **Selected financial information in millions of EUR** **31/12/2014 (audited) / 31/12/2013 (audited)** Net banking income: 2,856 / 3,013 Net interest income: 1,829 / 1,783

		Total balance sheet 80,330 85,008 Shareholders' equity 5,558 5,573 Not applicable as there has been no significant change in the financial or trading position of BNL since 31 December 2014.]
	No material adverse change statement	There has been no material adverse change in the prospects of [BNP Paribas or the BNPP Group] [BNL] since 31 December 2014 (being the end of the last financial period for which audited financial statements have been published).
B.19/B.13	Events impacting the Guarantor's solvency	Not applicable, as to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 30 June 2015.
B.19/B.14	Dependence upon other Group entities	[Subject to the following paragraph, BNP Paribas is not dependent upon other members of the BNPP Group. In April 2004, BNP Paribas began outsourcing IT Infrastructure Management Services to the BNP Paribas Partners for Innovation (**BP²I**) joint venture set up with IBM France at the end of 2003. BP²I provides IT Infrastructure Management Services for BNP Paribas SA and several BNP Paribas subsidiaries in France (including BNP Paribas Personal Finance, BP2S, and BNP Paribas Cardif), Switzerland, and Italy. In mid- December 2011 BNP Paribas renewed its agreement with IBM France for a period lasting until end-2017. At the end of 2012, the parties entered into an agreement to gradually extend this arrangement to BNP Paribas Fortis as from 2013. BP²I is under the operational control of IBM France. BNP Paribas has a strong influence over this entity, which is 50/50 owned with IBM France. The BNP Paribas staff made available to BP²I make up half of that entity's permanent staff, its buildings and processing centres are the property of the Group, and the governance in place provides BNP Paribas with the contractual right to monitor the entity and bring it back into the Group if necessary. ISFS, a fully-owned IBM subsidiary, handles IT Infrastructure Management for BNP Paribas Luxembourg. BancWest's data processing operations are outsourced to Fidelity Information Services. Cofinoga France's data processing is outsourced to SDDC, a fully-owned IBM subsidiary. See also Element B.19/B.5 above.] [Not applicable as BNL is not dependent upon other members of the BNPP Group.]
B.19/B.15	Principal activities	[*Insert where BNP Paribas is the Guarantor:* **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; **Corporate and Institutional Banking (CIB)**, which includes: – Corporate Banking; – Global Markets; – Securities Services.] [*Insert where BNL is the Guarantor:*] [BNL's main businesses consist of raising capital and various forms of lending, in Italy and internationally, and performing any other financial services, in compliance with the specific regulations for each service, as well as connected and instrumental activities. BNL may also issue bonds and other similar financial instruments, in compliance with current national law, and set up open-end funds pursuant to the relevant applicable law. The products offered by BNL may range from traditional short, medium or long-term loans to revolving lines of credit and payment services. Loans to BNL's customers consist of a wide range of loan types such as, by way of example, mortgage loans, direct loans and consumer credit.]
B.19/B.16	Direct and indirect ownership and control	[Not applicable. None of the existing shareholders controls, either directly or indirectly, BNP Paribas. The main shareholders are Société Fédérale de Participations et d'Investissement ("**SFPI**") a public-interest *société anonyme* (public limited company) acting on behalf of the Belgian government holding 10.3% of the share capital as at 31 December 2014 and Grand Duchy of Luxembourg holding 1.0% of the share capital as at 31 December 2014. To BNP Paribas' knowledge, no shareholder other than SFPI owns more than 5% of its capital or voting rights.] [BNP Paribas holds 100% of BNL's capital.]
[B.19/B.17	Solicited credit ratings	[BNP Paribas' long term credit ratings are A+ with a negative outlook (Standard & Poor's Credit Market Services France SAS), A1 with a stable outlook (Moody's Investors Service Ltd.) and A+ with a stable outlook (Fitch France S.A.S.) and BNPP's short-term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS), P-1 (Moody's Investors Service Ltd.) and F1 (Fitch France S.A.S.).] [BNL's long term credit ratings are BBB with a negative outlook (Standard & Poor's Credit Market Services France SAS), Baa2 with a negative outlook (Moody's Italia S.r.l.) and A- with a negative outlook (Fitch Ratings Ltd)].]
B.20	Statement as to whether the Issuer has been established for the purpose of issuing asset backed securities	The Issuer was established as a regulated securitisation undertaking under the Securitisation Act 2004, in order to offer securities in accordance with the provisions of such act. The Issuer has accordingly been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities.
B.21	Issuer's principal business activities and overview of the parties to the transaction (including direct or indirect ownership)	The purpose and object of the Issuer pursuant to its articles of incorporation is to enter into, perform and serve as a vehicle for, any transactions permitted under the Securitisation Act 2004. BNP Paribas Arbitrage S.N.C., which acts as arranger in respect of the Programme[, [and] calculation agent in respect of the [Notes][Warrants][Certificates] (the "**Calculation Agent**")] [and as dealer in respect of the [Notes][Warrants][Certificates] (the "**Dealer**")], and BNP Paribas Securities Services, Luxembourg Branch which acts, among other things, as [issuing and paying agent (the "**Issuing and Paying Agent**")][,] [and] cash manager (the "**Cash Manager**"), [account bank,](the "**Account Bank**") [principal warrant and certificate agent (the "**Principal Warrant**

		and Certificate Agent")], registrar (the "**Registrar**") [and custodian (the "**Custodian**")]] are wholly owned subsidiaries of BNP Paribas ("**BNPP**"). BNP Paribas Trust Corporation UK Limited, which is the trustee in respect of the [Notes][Warrants][Certificates] (the "**Trustee**"), is a subsidiary of BNP Paribas Securities Services. [[BNP Paribas][BNP Paribas Fortis SA/NV] acts as Swap Counterparty [and] calculation agent in respect of the [Notes][Warrants][Certificates] (the "**Calculation Agent**")][and as dealer (the "**Dealer**")]. [BNP Paribas Fortis SA/NV is a subsidiary of BNP Paribas].]
B.22	Statement regarding non-commencement of operations and no financial statements	Not applicable as the Issuer has already commenced activities and has published audited financial accounts for the years ended 31 December 2014 and 31 December 2013.
B.23	Selected historical key financial information of the Issuer	**Selected financial information** **31/12/2014 EUR** | **31/12/2013 EUR** Result for the financial year: 62,898.87 | 83,208.20 Total Assets: 3,519,864,476.87 | 2,272,243,455.19 Total Liabilities: 3,519,864,476.87 | 2,272,243,455.19 **Selected unaudited interim financial information** **30/06/2014** | **30/06/2015** Result for the six month period to 30 June: 83,208.20 | 28,082.76 Total Assets: 3,093,970,585.12 | 3,587,290,751.97 Total Liabilities: 3,093,970,585.12 | 3,587,290,751.97
B.24	Description of any material adverse change since the date of the Issuer's last published audited financial statements	Not applicable as there has been no material adverse change in the financial position or prospects of the Issuer since [31 December 2014].
[B.25	Description of the underlying assets	Compartment [*specify*] comprises a pool of "**Charged Assets**" which will be separate from the pools of Charged Assets relating to any other compartments of SecurAsset S.A. The Charged Assets are the assets on which the [Notes][Warrants][Certificates] are secured and have characteristics that demonstrate capacity to produce funds to service the payments due and payable in respect of the [Notes][Warrants][Certificates]. The Charged Assets comprise: [(a)] one or more over-the-counter derivative contract(s) documented in a master agreement, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), between the Issuer and the Swap Counterparty and a confirmation incorporating by reference certain definitions published by ISDA, as amended from time to time[, together with a [credit support annex thereto][credit support deed relating thereto],] (together, the "**Swap Agreement**"); [(b)] [a deposit agreement entered into by the Issuer with the Deposit Counterparty (as defined in Element B.30 below) (the "**Deposit Agreement**")];

		[(c)] [[*insert description of the Reference Securities, if applicable*] issued by [*identify the Reference Security Issuer*] (the "**Reference Security Issuer**") (the "**Reference Securities**")]; [(d)] [a repurchase agreement entered into by the Issuer with [*identify the Repo Counterparty*] (the "**Repo Counterparty**") (the "**Repurchase Agreement**") (as further described in Element B.29 below)]; and [(e)] funds held from time to time by the [Custodian,] [Issuing and Paying Agent] [Principal Warrant and Certificate Agent] [and the Account Bank] for payments due under the [Notes][Warrants][Certificates] (the "**Cash Assets**"). [*Insert a general description of each obligor in respect of the Charged Assets, including the Repo Counterparty and/or Reference Security Issuer, as applicable.*] The Swap Counterparty is [BNP Paribas] [BNP Paribas Fortis SA/NV] (the "**Swap Counterparty**"). [The name, address and a brief description of BNP Paribas is set out at Element B.19/B.2 above.] [BNP Paribas is a French law *société anonyme* incorporated in France and licensed as a bank. BNP Paribas is domiciled in France with its registered address at 16 boulevard des Italiens - 75009 Paris (France).] [BNP Paribas Fortis SA/NV is a public company with limited liability (naamloze vennootschap/société anonyme) incorporated under the laws of Belgium registered with enterprise number 0403.199.702 in the register of legal entities of Brussels, licensed to conduct banking operations. BNP Paribas Fortis SA/NV is domiciled in Belgium; its registered office is located at 1000 Montagne du Parc 3, Brussels (Belgium).] [Under the Repurchase Agreement, the Issuer will enter into a series of repurchase transactions (each a "**Repo Transaction**") with the Repo Counterparty in respect of securities which are "**Repo Collateral Securities**". Under such Repurchase Transactions, the Repo Counterparty will be the seller of Repo Collateral Securities and the Issuer will be the buyer. The first Repo Transaction will commence on [*specify*] (the "**Initial Repo Purchase Date**") and end on [*specify*]. Each subsequent Repo Transaction will commence on [*specify date and those dates that constitute "Repo Dates"*] (such date, a "**Repo Date**" and in each case, the "**Purchase Date**") and end on the next following Repo Date (in each case, the "**Repurchase Date**") with the last such Repo Transaction terminating on [*specify*] (the "**Final Repo Date**")**.**] [Under the Repurchase Agreement on each Repurchase Date, the Repo Counterparty will repurchase securities equivalent to the Repo Collateral Securities sold by it on the previous Repo Date (or, in the case of the first Repo Date, the Initial Repo Purchase Date) for a consideration equal to the purchase price for that Repo Transaction together with the accrued interest for that Repo Transaction (together, in each case, the "**Repurchase Price**"). Subsequent Repo Transactions need not relate to the same portfolio of Repo Collateral Securities, but will have the same purchase price (in each case, the "**Purchase Price**"), subject to adjustment if [Notes][Warrants][Certificates] are purchased by the Issuer or further tranches of [Notes][Warrants][Certificates] are issued by the Issuer.

		The Repo Counterparty may deliver to the Issuer new Repo Collateral Securities in substitution or exchange for existing Repo Collateral Securities, provided that the new Repo Collateral Securities are of a value at least equal to the securities initially purchased for which they are substitutes.] See Element B.29 for further detail in relation to the expected cash flows under the Swap Agreement and the [Deposit Agreement][Reference Securities][Repurchase Agreement]. The Charged Assets are available exclusively to satisfy the claims of the "**Secured Parties**" (being each of the Trustee, any receiver, the [Noteholders][Warrantholders][Certificateholders], the Swap Counterparty, the "**Agents**" (being the [Issuing and Paying Agent][the Principal Warrant and Certificate Agent], [the Registrar], [the Calculation Agent][,][and] the [Cash Manager][and the Custodian]. The Charged Assets will not comprise real property and no reports on the value of any Charged Assets will be prepared by the Issuer or provided to investors.]
[B.26	Parameters within which investments in respect of an actively managed pool of assets backing the issue	Not applicable as the Charged Assets are not intended to be traded or otherwise actively managed by the Issuer.]
[B.27	Statement regarding fungible issues	[Not applicable as the Issuer will not issue further securities that are fungible with the [Notes][Warrants][Certificates].] [The Issuer may issue further securities that will be fungible with the [Notes][Warrants][Certificates].]]
[B.28	Description of the structure of the transactions	The [Notes][Warrants][Certificates] will be constituted by the relevant issue deed in respect of the [Notes][Warrants][Certificates] which incorporates master trust terms agreed between the Issuer and the Trustee (the "**Trust Deed**"). On [or before] the Issue Date, the Issuer will enter into the Swap Agreement [and] [on or around the Issue Date,] the Issuer will [enter into the Deposit Agreement][acquire the Reference Securities]. [All][A proportion] [of] [T][t]he proceeds of the issue of the [Notes][Warrants][Certificates] will be [paid to the Deposit Counterparty pursuant to the Deposit Agreement][used by the Issuer to acquire the Reference Securities]. [Pursuant to the Swap Agreement, the Issuer will hedge its obligations with respect to [*specify applicable payment and delivery obligations of the Issuer under the Notes/Warrants/Certificates that are hedged pursuant to the Swap Agreement*].] [Certain of the Issuer's payment obligations under the [Notes][Warrants][Certificates] will be guaranteed by [BNP Paribas][BNL] pursuant to the Guarantee, as summarised in more detail in Element B.18 above.]]
[B.29	Description of cashflows	[***Deposit Agreement***] [Under the Deposit Agreement the Issuer will pay to the Deposit Counterparty [on [*specify*][an amount equal to [*specify*] (the "**Deposit**")] [on [*specify date*] an amount which, based on the interest rates prevailing on the trade date (the "**Trade Date**", being [*specify*]), would enable the Deposit Counterparty to pay an amount equal to 100 per cent. of the then aggregate [nominal] [notional] amount of the [Notes][Warrants][Certificates] to the Issuer on or before the [Maturity Date][Expiration Date][Redemption Date] (the "**Deposit**")].]

		[On each interest payment date under the Deposit Agreement (each a "**Deposit Interest Payment Date**"), the Deposit Counterparty will pay an amount of interest to the Issuer in respect of the Deposit (a "**Deposit Interest Amount**").] [On each interest payment date under the Deposit Agreement the Deposit Counterparty will pay an amount of interest to the Issuer or, where the interest rate applicable under the Deposit Agreement is negative, the Issuer will pay an amount of interest to the Deposit Counterparty in respect of the Deposit (in each case, a "**Deposit Interest Amount**").] [On or before the [Maturity Date][Expiration Date][Redemption Date] (the "**Final Payment Date**") [or, if an Automatic Early Settlement Event has occurred, the Automatic Early Settlement Date] ([either] such date, the "**Deposit Termination Date**"), the Deposit Counterparty will pay an amount to the Issuer in [EUR] [*specify*] equal to [100][*specify other*] per cent. of the aggregate [nominal] [notional] amount of the [Notes][Warrants][Certificates] then outstanding on the [Maturity Date][Expiration Date][Redemption Date] (the "**Final Deposit Payment**").] [If the Deposit Agreement terminates prior to the scheduled Deposit Termination Date, the Issuer may receive an amount lower than the scheduled Final Deposit Payment from the Deposit Counterparty.] [On [*specify*], the Issuer will pay [*specify*] to the Deposit Counterparty.] [On [*specify*], the Deposit Counterparty will pay [*specify*] to the Issuer.] [***Swap Agreement***][***Collateralised Swap Agreement***] [Under the Swap Agreement, the [Swap Counterparty][Issuer] will pay on [*specify*] an amount [equal to [*specify*] (the "**Initial Swap Payment Amount**")] [equal to [*specify*] (the "**Issuer Initial Swap Payment Amount**")] to the [Issuer][Swap Counterparty] [in respect of fees and expenses payable in connection with the administration of the Issuer [and][or] the [Notes][Warrants][Certificates] [the amount by which the purchase price of the Reference Securities is greater than the net issue proceeds of the [Notes] [Certificates] [Warrants] received by the Issuer].] [On [*specify*] the Issuer will pay an amount to the Swap Counterparty equal to the net proceeds of the issue of the [Notes][Warrants][Certificates] which are not used to pay the purchase price for the Reference Securities or used to pay fees and expenses in connection with administration of the Issuer and/or the [Notes][Warrants][Certificates] for the [Swap Counterparty].] [On or after each Deposit Interest Payment Date the Issuer will pay [*specify*] [an amount in the currency in which the Deposit is denominated equal to the Deposit Interest Amount received by the Issuer] to the Swap Counterparty, provided that no [Automatic Early Settlement Event,] [Early Redemption Event,][Early Termination Event] or Event of Default has occurred.] [On or before each Deposit Interest Payment Date, where a Deposit Interest Amount is payable to the Deposit Counterparty, the Swap Counterparty will pay to the Issuer [*specify*] [an amount, in the currency in which the Deposit is denominated, equal to the Deposit Interest Amount payable by the Issuer to the Deposit Counterparty in respect of such Deposit Interest Payment Date] provided that no [Automatic Early Settlement Event,][Early Redemption Event,][Early Termination Event,] or [Event of Default] has occurred.] [Under the Swap Agreement, on [*specify*] the Issuer will pay an amount (if any) equal to the Repo Accrued Interest Amount (as defined below) received by the Issuer on relevant Repurchase Date (as defined below) to the Swap Counterparty provided that no [Automatic Early Settlement Event,] Early

		Payment Event or Event of Default has occurred.] [On [*specify*] (each, a "**Swap Issuer Interim Payment Date**"), the Issuer will pay an amount in the currency in which the Reference Securities are denominated equal to the Reference Security Coupon Amount (as defined below) received by the Issuer on the relevant Reference Security Interest Payment Date (as defined below) to the Swap Counterparty provided that no [Automatic Early Settlement Event,] Early Payment Event or Event of Default has occurred.] [The Swap Counterparty will pay an amount to the Issuer which will be equal to [*specify any interest, premium amount or other interim amount due on the Notes/Warrants/Certificates* (each, an "**Interim Payment Amount**")] on or before the date on which such payment is due to be made by the Issuer provided that no [Automatic Early Settlement Event,] [Early Redemption Event,][Early Termination Event] or Event of Default has occurred. (*Include where the Notes/Warrants/Certificates provide for the Issuer to pay an Interim Payment Amount to Holders.*)] [If an Automatic Early Settlement Event occurs, the Swap Counterparty will, on or prior to the relevant Automatic Early Settlement Date, pay an amount to the Issuer which, when added to the proceeds received by the Issuer from [the Deposit Counterparty under the Deposit Agreement][the sale of the Reference Securities][the proceeds received by the Issuer from the Repo Counterparty under the Repurchase Agreement] [redemption of the Reference Securities] on or around such date, will be equal to the Automatic Early Settlement Amount, provided that no [Early Redemption Event][Early Termination Event] [or] Event of Default has occurred.] [If an Automatic Early Settlement Event occurs, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which will be equal to the relevant Automatic Early Settlement Amount, provided that no [Early Redemption Event][Early Termination Event] [or] Event of Default has occurred.] [If an Automatic Early Settlement Event occurs, the Issuer will [sell the Reference Securities and pay the net sale proceeds of such sale (after deduction of all costs, expenses and taxes incurred in such sale) to the Swap Counterparty] [deliver the Reference Securities to the Swap Counterparty] and such [delivery][payment] to the Swap Counterparty shall take place following sale of the Reference Securities]. [On or prior to the [Maturity Date][Redemption Date][Settlement Date], the Swap Counterparty will pay an amount to the Issuer which, when added to the proceeds [received by the Issuer from the Deposit Counterparty under the Deposit Agreement][due to be received by the Issuer from the Reference Securities][the Final Repurchase Price Payment] on or around such date, will be equal to the aggregate of the [Final Redemption Amount][s][Cash Settlement Amount][s] that the Issuer is scheduled to pay in respect of the [Notes][Warrants][Certificates], provided that no [Automatic Early Settlement Event,] [Early Redemption Event][Early Termination Event] or Event of Default has occurred.] [The Issuer's obligation under the Swap Agreement will be to pay to the Swap Counterparty the scheduled amount of [interest] [and][/][or] [principal] payable under the Reference Securities whether or not the full amount is actually received by the Issuer.] [On or prior to the [Maturity Date][Redemption Date][Settlement Date], the Swap Counterparty will pay an amount to the Issuer which will be equal to

		the aggregate of the [Final Redemption Amount][s][Cash Settlement Amount][s] that the Issuer is scheduled to pay in respect of the [Notes][Warrants][Certificates] then outstanding, provided that no [Automatic Early Settlement Event,] [Early Redemption Event][Early Termination Event] [or] Event of Default has occurred.] [Where the aggregate [Final Redemption Amount][Cash Settlement Amount] in respect of all the [Notes][Warrants][Certificates] then outstanding (the "**Aggregate Final Payment Amount**") is equal to the Final Deposit Payment, no further payment will be made under the Swap Agreement (other than in respect of unpaid Deposit Interest Amounts) and, where the Aggregate Final Payment Amount is less than the Final Deposit Payment, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the Final Deposit Payment and the Aggregate Final Payment Amount.] [On [*specify*], the Issuer will pay to the Swap Counterparty an amount (if any) in the currency in which the Repurchase Agreement is denominated equal to the Final Repurchase Price Payment received by the Issuer on the Final Repo Date.] [On [*specify*], the Issuer will pay [*specify*] to the Swap Counterparty. (*Include where interim payments to the Swap Counterparty will be made under the Swap Agreement*)] [On [*specify*], the Swap Counterparty will pay [*specify*] to the Issuer. (*Include where interim payments to the Issuer will be made under the Swap Agreement*)] [***Reference Securities***] [On [*specify*] (the "**Initial Reference Security Purchase Date**"), the Issuer will use up to 100 per cent. of the net issue proceeds of the [Notes][Warrants][Certificates] [together with all or part of the Initial Swap Payment Amount] to purchase the Reference Securities.] [On each interest payment date under the Reference Securities (each a "**Reference Security Interest Payment Date**"), the Reference Security Issuer will pay an amount of interest to the Issuer in respect of the principal amount of the Reference Securities held by the Issuer at such time (each such amount, a "**Reference Security Coupon Amount**").] [The Issuer will use the Reference Security Coupon Amount it receives under the Reference Securities to pay the (*specify any interest, premium amount or other interim amount due on the Notes/Warrants/Certificates)* (each, an "**Interim Payment Amount**") due in respect of the [Notes][Warrants][Certificates].] [On [*specify*], the Reference Security Issuer will pay to the Issuer [*specify*] (the "**Scheduled Final Bond Payment**") which the Issuer will use [together with the amount received under the Swap Agreement on or around such date] to pay the Final Payment Amount in respect of each [Note][Warrant][Certificate].] [Where the Scheduled Final Bond Payment received by the Issuer is greater than the aggregate [Final Redemption Amount][Cash Settlement Amount] in respect of all the [Notes][Warrants][Certificates] then outstanding, the Issuer will pay an amount equal to the amount of such excess to the Swap Counterparty]. [On [*specify*], the Reference Security Issuer will pay to the Issuer the amount scheduled to be paid (the "**Scheduled Final Bond Payment**") by the Reference Security Issuer in respect of the nominal amount of the Reference

		Securities held by the Issuer on [*specify*] and, on [*specify*], the Issuer will pay to the Swap Counterparty an amount (if any) in the currency in which the Reference Securities are denominated equal to the Scheduled Final Bond Payment received by the Issuer to the Swap Counterparty provided that no [Automatic Early Settlement Event,] [Early Payment Event] [or] Event of Default has occurred.] [***Repurchase Agreement***] [On [*specify*], the Issuer will use up to 100 per cent. of the net issue proceeds of the [Notes][Warrants][Certificates], [and all or part of the Initial Swap Payment Amount] to purchase Repo Collateral Securities with a value equal to [*specify*] pursuant to the Repurchase Agreement.] [On each Repurchase Date under the Repurchase Agreement, the Repo Counterparty will pay an amount of [accrued interest]/[price differential] to the Issuer in respect of the Repo Transaction which has just terminated (each such amount, a "**Repo Accrued Interest Amount**"). The Issuer will use the Repo Accrued Interest Amount received under the Repurchase Agreement to pay [*specify relevant amounts due in respect of the Notes/Warrants/Certificates*].] [On the Final Repo Date, the Repo Counterparty will pay to the Issuer [*specify*] (the "**Final Repurchase Price Payment**") which the Issuer will use together with the amount received under the Swap Agreement (if any) on or around such date to pay the [Final Redemption Amount][Cash Settlement Amount] in respect of each [Note][Warrant][Certificate].] [On the Final Repo Date, the Repo Counterparty will pay to the Issuer [*specify*] (the "**Final Repurchase Price Payment**") and the Issuer will pay to the Swap Counterparty an amount (if any) in the currency in which the Repurchase Agreement is denominated equal to the Final Repurchase Price Payment received by the Issuer on the Final Repo Date to the Swap Counterparty provided that no [Automatic Early Settlement Event,] Early Payment Event or Event of Default has occurred.] [If an Automatic Early Redemption Event occurs provided that no Early Payment Event or Event of Default has occurred, the Issuer will pay to the Swap Counterparty an amount (if any) in the currency in which the Repurchase Agreement is denominated equal to the amount received by the Issuer under the Repurchase Agreement from the Repo Counterparty on or around the Automatic Early Settlement Date.] Please also see Element B.25 above.]
[B.30	Name and a description of the originators of securitised assets	[BNP Paribas][BNP Paribas Fortis SA/NV] is the counterparty to the Swap Agreement [and the Repurchase Agreement]. [[*Specify*] is the counterparty to the Deposit Agreement (the "**Deposit Counterparty**").] [[*Specify*] is the issuer of the Reference Securities.] Please also see Element B.25 above.]

Section C – Securities

Element	Title	
C.1	Type and class of Securities/ ISIN	[The [Notes][Warrants][Certificates] are asset backed securities [linked to [*specify the applicable Underlying Reference(s)*]]. [See Element C.9.]

Element	Title	
		The ISIN of the [Notes][Warrants][Certificates] is: [●]. The Common Code of the [Notes][Warrants][Certificates] is: [●]. [*Specify other identification number*]
C.2	Currency	The currency of the [Notes][Warrants][Certificates] is [*specify*]. [Notes][Certificates] may be denominated in one currency (the "**Specified Currency**") with amounts payable in respect of interest and/or principal payable in another currency (the "**Settlement Currency**"), such [Notes][Certificates] being ["**Dual Currency Notes**"]["**Dual Currency Certificates**"].
C.5	Restrictions on free transferability	The [Notes][Warrants][Certificates] are issued in reliance on Regulation S under the United States Securities Act of 1933 (as amended) and may not be offered, sold, resold, traded, pledged, redeemed, transferred, delivered or exercised, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person. Restrictions on free transferability may arise as a result of applicable local law.
C.8	Rights attaching to the Securities, the ranking thereof and limitations thereto	***Rights attaching to the [Notes][Warrants][Certificates] and the ranking thereof*** Please see Element [C.9] / [C.18] [*Complete as applicable with respect to debt securities (C.9) and/or derivative securities (C.18)*] below with respect to payments due on [redemption][settlement] of the [Notes][Warrants][Certificates][and in respect of [interest][premium amounts]]. ***Events of Default*** The Trustee at its discretion may, and if so requested in writing by [the holders of at least 25 per cent. in principal amount of the Notes then outstanding] [the holders of at least 25 per cent. in number of the Warrants then unexercised] [the holders of Certificates representing at least 25 per cent. in number of the Certificates then outstanding], or if so directed by an extraordinary resolution of such holders (being a resolution passed at a meeting duly convened and held by a majority of at least 75 per cent. of the votes cast), shall, (subject in each case to being indemnified and/or secured to its satisfaction) give notice to the Issuer [and the Guarantor] that [such Notes are, and they shall accordingly forthwith become, immediately due and repayable (a "**Note Acceleration**")] [such Warrants are, and they shall accordingly forthwith become, entitled to [the Liquidation Proceeds] (a "**Warrant Acceleration**")] [such Certificates are, and they shall accordingly forthwith become, entitled to [the Liquidation Proceeds] (a "**Certificate Acceleration**")] upon the occurrence of any of the following events (each an "**Event of Default**"): (i) a default is made for a period of 30 days or more in the payment of any sum due [or the delivery of the Entitlement] in respect of the [Notes][Warrants][Certificates]; or (ii) the Issuer fails to perform or observe any of its other obligations under the [Notes][Warrants][Certificates] or the Trust Deed (subject to a 45 day grace period where such failure is (in the opinion of the Trustee) remediable); or (iii) any order is made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation *(insolvabilité, liquidation volontaire ou judiciaire*), composition arrangements with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of a receiver of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator

Element	Title	
		(*liquidateur*), auditor (*commissaire*), verifier (*expert-verificateur*), deputy judge (*juge délégué)* or reporting judge *(juge commissaire*)) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an extraordinary resolution of the [Noteholders][Warrantholders][Certificateholders][; or] [.] [(iv) the Guarantee ceases to be in full force and effect in respect of the [Notes][Warrants][Certificates], or notice is given by the Guarantor which would cause the Guarantee to cease to be in full force and effect in respect of the [Notes][Warrants][Certificates], or is rendered void for any cause or by any means whatsoever or any legislation is introduced the result of which would be to remove the benefit of the Guarantee from the [Notes][Warrants][Certificates] or terminate or amend the same in a manner (in the opinion of the Trustee) materially adverse to the interests of the [Noteholders][Warrantholders][Certificateholders], or the Guarantor is unable to perform its obligations thereunder for any reason.] [Any entitlement of a [Noteholder][Warrantholder][Certificateholder] to the Liquidation Proceeds following an Event of Default is subject to a cap (the "**Liquidation Proceeds Cap**") determined by reference to amounts that would have been payable but for the [Note Acceleration][Warrant Acceleration][Certificate Acceleration] following the Event of Default.] [***Early Redemption***] [***Early Termination***] In the event that the Calculation Agent determines that one or more (as applicable) of the following events (each, an ["**Early Redemption Event**"] ["**Early Termination Event**"] or "**Early Payment Event**") has occurred, the Issuer shall give notice (which notice shall be irrevocable) to the Trustee and the [Noteholders][Warrantholders][Certificateholders] prior to the specified date of [redemption][cancellation] that it intends to [redeem][cancel] the [Notes][Warrants][Certificates] and, upon the expiry of such notice, the Issuer shall [redeem][cancel] all, but not some only, of the [Notes][Warrants][Certificates] [at their early redemption amount [together, if appropriate, with accrued interest to (but excluding)][on] the date of redemption specified in the relevant notice [(the "**Early Redemption Date**")][(the "**Early Termination Date**") [(provided that redemption in full of the [Notes][Certificates][settlement of the Warrants] will be postponed until [*specify*] (the "**Extended [Maturity][Redemption][Settlement] Date**"))] (*include where "*[Maturity][Redemption][Settlement] Date Extension*" is applicable*)] [whereupon [Warrantholders][Noteholders][Certificateholders] will be entitled to the [proceeds of liquidation of the Charged Assets [(subject to the Liquidation Proceeds Cap in accordance with the Terms and Conditions)]]. (i) [An "**Asset Payment Default Event**" will occur if there is a payment default in respect of any of the Charged Assets (other than the Swap Agreement).] (ii) [An "**Asset Default Event**" will occur if the issuer or primary obligor in respect of any of the Charged Assets [(other than the Swap Agreement)] (each, a "**Charged Assets Issuer**") or any guarantor of the Charged Assets Issuer's obligations in respect of any Charged Assets [(other than the Swap Agreement)] fails to perform or observe any of its obligations under the relevant Charged Assets and the failure continues after the expiration of any applicable grace period or the occurrence of any event (including, but not limited to, default, event of default, or other similar condition or event (howsoever described)) that results in the Charged Assets becoming capable of being declared due and payable before they would otherwise have been due and payable.]

Element	Title	
		(iii) [An "**Asset Redemption Event**" will occur if any of the Charged Assets [(other than the Swap Agreement)] is, for any reason, redeemed or otherwise terminated prior to its scheduled redemption or termination date.] (iv) [An "**Asset Payment Shortfall Event**" will occur if there is a payment default in respect of any of the Charged Assets (other than the Swap Agreement) or the aggregate amount received by the Issuer in respect of the Charged Assets on [*specify the final payment in respect of the Charged Assets*] is less than the aggregate of the [Final Redemption Amount][Cash Settlement Amount] payable in respect of the [Notes][Warrants][Certificates].] (v) [A "**Compartment Tax Event**" will occur if, on or after [*specify*] (the "**Trade Date**"), (A) due to the adoption of any change in any applicable law or regulation (including, without limitation, any tax law) 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 brought in a court of competent jurisdiction), either (1) any amount is required to be deducted or withheld for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of any payment to be received by the Issuer under one or more Charged Assets or (2) the Issuer becomes obliged to pay any amount for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of (I) any payment received by the Issuer under one or more Charged Asset or (II) holding, acquiring or disposing of any Charged Asset.] (vi) [A "**Related Agreement Termination Event**" will occur if the Swap Agreement [or the [*specify any applicable Related Agreement*]] entered into in respect of the [Notes][Warrants][Certificates] is terminated early, other than where the Issuer is the Defaulting Party (as defined in the relevant Swap Agreement) thereunder and the relevant event of default relates to the insolvency of the Issuer or is an event of default under the [Notes][Warrants][Certificates], or due to the purchase by the Issuer of all the outstanding [Notes][Warrants][Certificates] [or where the Swap Counterparty is the Defaulting Party] [or][the occurrence of a disruption event, adjustment event[,] [extraordinary fund event], [extraordinary ETI event] [or other similar event] which has led to the termination of the Swap Agreement in whole or in part but will not lead to an early redemption of the [Notes][Certificates] due to the application of delayed redemption provisions in the terms and conditions of the [Notes] [Certificates]].] (vii) [An "**Annex Early Redemption Event**" will occur where the Calculation Agent notifies the Issuer that, in accordance with the Terms and Conditions, an event has occurred in respect of which the Calculation Agent in good faith and in a commercially reasonable manner determines it is not possible to make an adjustment in respect of such event and that the [Notes][Warrants][Certificates] should be [redeemed early] [cancelled].] (viii) [A "**Compartment Change in Law Event**" will occur if, on or after the Trade Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation in respect of tax, solvency 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 or financial authority), or the combined effect thereof if occurring more than once, the Issuer or the Calculation Agent determines in good faith and in a commercially reasonable manner that it has become illegal for

Element	Title	
		(1) the Issuer to perform its obligations in respect of any [Notes][Warrants][Certificates] [or the Swap Counterparty to perform its obligations in respect of the Swap Agreement], (2) for the Issuer to hold, acquire or dispose of relevant hedge positions relating to the [Notes][Warrants][Certificates] [or for the Swap Counterparty to hold, acquire or dispose of relevant hedge positions relating to the Swap Agreement] save where such an event in (A) or (B) would constitute an ["**Additional Disruption Event**"]["**Optional Additional Disruption Event**"]["**Extraordinary Fund Event**"] in accordance with the Terms and Conditions, or (3) for the Issuer to hold, acquire or dispose of any Charged Assets.] (ix) [A "**Reference Securities Restructuring Event**" will occur if the Calculation Agent deems that, on or after the Trade Date, any of the following has occurred in respect of the Reference Securities (as defined in Element B.30 above): (a) Any event (by way of change to the actual terms and conditions applicable to the Reference Securities or by way of exchange of the Reference Securities with another asset) which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals, (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates, (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation or any change in the currency or composition of any payment of interest or principal under the Reference Securities; or (b) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities, or a cancellation, conversion or compulsory exchange of the Reference Securities, or any event which has analogous effect to any event specified above.] (x) [(a) any event occurring as a result of action taken or 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 any case, irrespective of whether such event is expressly provided for under the terms of the Charged Assets which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination), (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates (including by way of redenomination), (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation, or (5) any change in the currency or composition of any payment of interest or principal under the Reference Securities; or (b) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities, or a mandatory cancellation, conversion or exchange; or (c) any event which has an analogous effect to any of the events specified in (a) and (b) (a "**Reference Securities Regulatory Event**").] (xi) [an authorised officer of the issuer of the Charged Assets or of any guarantor of the obligations of the issuer of the Charged Assets in respect of any Charged Assets or a governmental authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Charged Assets or declares or imposes a moratorium,

Element	Title	
		standstill, roll-over or deferral, whether de facto or de jure, with respect to the Charged Assets ("**Charged Assets Repudiation/Moratorium Event**").]" (xii) the issuer, or primary obligor, or guarantor in respect of any of the Charged Assets: (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: (1) 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 (2) 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 ("**Charged Assets Issuer Bankruptcy Event**"). [***Early Exercise of Warrants*** If [*specify details of any "Early Exercise Event"*] occurs, the Issuer shall have the right to accelerate the [exercise date][expiration date] of all or some only of the outstanding Warrants to which the Early Exercise Event relates by giving notice of its election and of the number of Warrants to be early exercised.] ***Meetings*** The terms of the [Notes][Warrants][Certificates] contain provisions for calling meetings of [Noteholders][Warrantholders][Certificateholders] to consider matters affecting their interests generally. These provisions permit defined majorities to bind all [Noteholders][Warrantholders][Certificateholders], including [Noteholders][Warrantholders][Certificateholders] who did not attend and vote at the relevant meeting and [Noteholders][Warrantholders][Certificateholders] who voted in a manner contrary to the majority. [Upon the enforcement of the security for the [Certificates][Notes][Warrants], the moneys available for distribution in relation to the [Notes][Warrants][Certificates] will be applied to meet any payments due, first to the [Repo Counterparty] [Trustee], secondly any payments due [to the Trustee]] [in respect of any Agents' fees, costs, charges and liabilities incurred

Element	Title	
		pursuant to the agency agreement relating to the] [Certificates][Notes][Warrants], thirdly [in respect of any Agents' fees, costs, charges and liabilities incurred pursuant to the agency agreement relating to the [Certificates][Notes][Warrants]] [to the Swap Counterparty][and] fourthly the [Noteholders, Warrantholders Certificateholders][Swap Counterparty]][and fifthly to the [Noteholders][Warrantholders][Certificateholders]] [*Insert where Swap Counterparty Priority is applicable*] [Upon the enforcement of the security for the [Certificates][Notes][Warrants], the moneys available for distribution in relation to the [Notes][Warrants][Certificates] will be applied to meet any payments due, first to the [Repo Counterparty] [Trustee], secondly any payments due [to the Trustee]] [in respect of any Agents' fees, costs, charges and liabilities incurred pursuant to the agency agreement relating to the] [Certificates][Notes][Warrants], thirdly [in respect of any Agents' fees, costs, charges and liabilities incurred pursuant to the agency agreement relating to the [Certificates][Notes][Warrants]] [to the Swap Counterparty and the [Noteholders, Warrantholders Certificateholders] *pro rata*][and] [fourthly the [Swap Counterparty] and the [Noteholders, Warrantholders Certificateholders]] *pro rata*] [*Insert where Pari Passu Ranking is applicable*] [Upon the enforcement of the security for the [Certificates][Notes][Warrants], the moneys available for distribution in relation to the [Notes][Warrants][Certificates] will be applied to meet any payments due, first to the [Repo Counterparty] [Trustee], secondly any payments due [to the Trustee] [in respect of any Agents' fees, costs, charges and liabilities incurred pursuant to the agency agreement relating to the] [Certificates][Notes][Warrants], thirdly [in respect of any Agents' fees, costs, charges and liabilities incurred pursuant to the agency agreement relating to the [Certificates][Notes][Warrants]] [to the Noteholders, Warrantholders Certificateholders][and] fourthly the [Noteholders, Warrantholders Certificateholders][Swap Counterparty]][and fifthly to the Swap Counterparty]] [*Insert where Noteholder Priority, Warrantholder Priority or Certificateholder Priority is applicable]* The [Notes][Warrants][Certificates] are secured, unsubordinated, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves. ***Limitation of rights*** [The Notes will become void unless presented for payment within a period of 10 years (in the case of principal) [or five years (in the case of interest)] after the relevant date for payment.] [Claims for payment of [Cash Settlement Amounts][Final Redemption Amounts][, interest and/or premium amounts] will become void unless presented for payment within a period of five years after the relevant date for payment.]
[C.9	Interest/ Redemption and representative of the [Noteholders] [Certificateholders]	See Element C.8. [***Interest*][*Premium Amount***] [*Insert in the case of non-interest bearing Notes and Certificates:* The [Notes] [Certificates] do not bear or pay interest [*insert in the case of Notes and Certificates sold at a discount to their nominal/notional amount*: and will be offered and sold at a discount of [*specify*] to their [nominal][notional] amount].] [The [Notes][Certificates] [[bear/pay] interest][pay a premium amount] [from their date of issue/from [*specify*]] [at the fixed rate of [●] per cent. per annum]. [The yield of the [Notes][Certificates] is [●] per cent.] [Interest][Premium amounts] will be paid [annually] [in arrear] on [*specify*] in each year. The first [interest][premium amount] payment will be made on [*specify*].]

Element	Title	
		[The [Notes][Certificates] [[bear/pay] interest][pay a premium amount] [from their date of issue/from [*specify*] [on]] at floating rates calculated by reference to [*specify*] [plus/minus] a margin of [●] per cent. [Interest][Premium amounts] will be paid [quarterly/semi-annually/annually] [in arrear] on [*specify*] in each year[, subject to adjustment for non-business days]. The first [interest][premium amount] payment will be made on [*specify*].] [The [Notes][Certificates] [[bear/pay] interest][pay a premium amount] [from their date of issue/on/from [and including][but excluding] [*specify*]] at [a structured rate calculated by reference to [*specify*] (the "**Underlying Reference(s)**")]. [Interest][Premium amounts] will be paid [quarterly/semi-annually/annually] [in arrear] on [*specify*] in each year. [The Notes][Certificates] will pay a premium amount [on the [*specify*] premium amount payment date] equal to [●] per [Note][Certificate][provided no [Early Payment Event][Automatic Early Settlement Amount][or Event of Default] has occurred on or before [●] [the [applicable] Premium Amount Payment Date.] [The "**Premium Amount Payment Dates**" are [●]]. The first [interest][premium amount] payment will be made on [*specify*]. The [interest][premium amount] rate is: [SPS Fixed Coupon] [SPS Variable Amount Coupon] [Digital Coupon] [Snowball Digital Coupon] [Accrual Digital Coupon] [Stellar Coupon] [Cappuccino Coupon] [Ratchet Coupon] [Driver Coupon] [Nova Coupon] [Sum Coupon] [Option Max Coupon] [FX Vanilla Coupon] [FI Digital Coupon] [FX Digital Coupon] [Range Accrual Coupon] [FX Range Accrual Coupon] [FX Memory Coupon] [Combination Floater Coupon] [PRDC Coupon] [FI Digital Floor Coupon] [FI Digital Cap Coupon] [FI Target Coupon] (*Replicate formula, relevant value(s), relevant payout description and other related provisions from Terms and Conditions)* [*Insert if "Coupon Switch" is applicable:* If [a corresponding election is made by the Swap Counterparty in respect of the Swap Agreement relating to the [Notes][Certificates], the Issuer shall elect that the interest basis be amended][an Automatic Coupon Switch Event occurs], the interest basis of the [Notes][Certificates] will be amended and on and after [*specify*] (the "**Coupon Switch Date**") the [Notes][Certificates] will bear interest at [*specify rate*]. [In addition an additional amount equal to [●] will be payable [in][on] [*specify dates and/or years*][or equal to [●] will be payable [in][on] [*specify dates*

Element	Title	
		and/or years](*Complete as necessary for any subsequent dates*).] "**Automatic Coupon Switch Event**" means [*specify*].] [Insert, where applicable, for Credit Linked Securities] If an Event Determination Date (being the occurrence of a credit event and satisfaction of certain conditions) occurs in respect of any Reference Entity, interest will cease to accrue on the relevant portion of each Credit Linked Security (corresponding to a pro rata share per Credit Linked Security of the reference entity notional amount of the affected Reference Entity) with effect from and including the [[interest period end date] [interest payment date] immediately preceding such Event Determination Date or, in the case of the first interest period, the interest commencement date] [Event Determination Date]. ***Redemption*** Unless previously redeemed or cancelled, each [Note][Certificate] will be redeemed on [*specify*][on the Redemption Date] at par. [*Insert if "Payout Switch" is applicable:* If [a corresponding election is made by the Swap Counterparty in respect of the Swap Agreement relating to the [Notes][Certificates], the Issuer shall elect that the [redemption/payment basis] [Final Payout] be amended][an Automatic Payout Switch Event occurs], the [redemption/payment basis] [Final Payout] of the [Notes][Certificates] will be amended on and after [*specify*] (the "**Payout Switch Date**") to [*specify switched payout*]. "**Automatic Payout Switch Event**" means [*specify*].] [The Notes may be redeemed early for tax reasons at [*specify the early redemption amount*] [,[or] at the option of the Issuer [or at the option of the Noteholders] at [*specify*] (the "**Optional Redemption Amount**")]. [The Notes may also be redeemed early for [*specify any other early redemption option applicable to the Notes*] at [*specify the early redemption amount and any maximum or minimum redemption amounts*].] [The Certificates may be redeemed early [at the option of the Issuer [or]][at the option of the Certificateholders]] at [*specify*] (the "**Optional Redemption Amount**") equal to: [*specify*] [Put Payout] [The Certificates may also be redeemed early for [*specify*] at [*specify the early redemption amount and any maximum or minimum redemption amounts*].] ***Dual Currency [Notes][Certificates]*** In the case of Dual Currency [Notes][Certificates], any amount calculated to be payable in respect of interest (if any) and any amount calculated to be payable on redemption of the [Notes][Certificates], will be converted into the Settlement Currency at the Specified Exchange Rate or the Settlement Currency Exchange Rate specified in the applicable Final Terms. ***Representative of holders of Securities*** The Trustee holds the benefit of a covenant to pay made by the Issuer in respect of the [Notes][Certificates] pursuant to the Trust Deed on trust for the [Noteholders][Certificateholders]. The Charged Assets will be secured in favour of the Trustee for the benefit of, among others, the [Noteholders][Certificateholders].]

Element	Title	
[C.10	Derivative component in the interest payment	[Not Applicable] [Payments of [interest][premium amount] in respect of the [Notes][Warrants][Certificates] will be determined by reference to the performance of the Underlying Reference(s). Please also refer to Element C.9 above.]]
[C.11	Admission to trading on a regulated market	Application [has been] [is expected to be] made to the [Luxembourg Stock Exchange] [and] [*specify other exchange/market*] for the [Notes][Warrants][Certificates] to be admitted to trading on the [regulated market] of the [Luxembourg Stock Exchange][and] [*specify other exchange/market*].] [Not applicable as the [Notes][Warrants][Certificates] [are not intended to be] [have not been] admitted to trading, and application has not been made to have the [Notes][Warrants][Certificates] admitted to trading, on any regulated market.] [but application [has been] [or] [will be] made for the [Notes][Warrants][Certificates] to be admitted to trading [and listing] on the [Multilateral Trading Facility Euro TLX of Euro TLXSIM S.p.A in Italy][and] [*specify other non-regulated exchange*]. [The [Notes][Warrants][Certificates] have not been listed or admitted to trading, and application has not been made to list or have the [Notes][Warrants][Certificates] admitted to trading, on any other stock exchange.]]
[C.12	Minimum denomination	[The [minimum denomination] is [*specify*].][Not applicable.]]
[C.15	How the value of the investment is affected by the value of the underlying assets	The [amount payable in respect of [interest][premium amount(s)] and] [amount payable][assets deliverable] on [redemption][settlement] [is/are] calculated by reference to the performance of the Underlying Reference(s). [The value of the [Notes][Warrants][Certificates] is linked to the [average] [positive][negative] [*delete as applicable or specify*] performance of the [[best][worst] [*delete as applicable or specify*] [performing] [*delete as applicable or specify*] [Underlying Reference(s)][one or several Underlying Reference(s) within a basket] [between the [Strike Date][*delete as applicable or specify*] [and] [the] [each][relevant] [Settlement Price Date][Redemption Valuation Date][*delete as applicable or specify*][,as observed on [each][the] [Observation Date[s]]/Averaging Date[s]][Settlement Price Date[s]][*delete as applicable or specify*]][*delete as applicable or complete as required*] [*Provide other explanation on how the value of the investment may be affected by underlying assets*].]
[C.16	Maturity	The [Maturity/Settlement/Redemption] Date of the [Notes][Warrants][Certificates] is [*specify*].]
[C.17	Settlement Procedure	The [Notes][Warrants][Certificates] will be [cash/physically] settled. The Issuer [has/does not have] the option to vary settlement. [[[Noteholders][Warrantholders][Certificateholders] may elect for settlement by way of cash payment or by way of physical delivery.] The Guarantor may vary settlement.]]
[C.18	Return on derivative securities	[*Replicate paragraphs from Element C.9 relating to interest or premium amounts where interest and/or premium amonunts are linked to performance of underlying. Replicate formula, relevant value(s), relevant payout description and other related provisions from Terms and Conditions*] [***Final Redemption*** Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer on [*specify*] (the "**Maturity Date**") at [*Insert in the case of cash settled Notes:* [*specify*]/[the Final Redemption Amount equal to:]][*Insert in the case of physically settled Notes:* by delivery of the "**Entitlement Amount**", being the quantity of [*specify relevant assets*] (the "**Relevant Assets**") equal to:]

Element	Title	
		[***Final Redemption*** Unless previously redeemed or purchased and cancelled, each Certificate entitles its holder to receive from the Issuer on [*specify*] (the "**Redemption Date**") [*Insert in the case of cash settled Certificates:* a Final Redemption Amount equal to:][*Insert in the case of physically settled Certificates:* the "**Entitlement**", being the quantity of [*specify relevant assets*] (the "**Relevant Assets**") equal to:] ***[****Insert in case of Notes or Certificates which are Credit Linked Securities:* ***Credit Event*** [If the Securities are Credit Linked Securities and if an Event Determination Date occurs in respect of [s*pecify Reference Entities*] ([the][each] a "**Reference Entity**"), [the relevant portion of] each Credit Linked Security [(corresponding to a pro rata share per Credit Linked Security of the triggered portion of the reference entity notional amount of the affected Reference Entity)] will be redeemed [at its pro rata share of the [Auction Settlement Amount, subject to fallback settlement] [Credit Event Cash Settlement Amount]] [by physical settlement] [*specify other relevant redemption or settlement amount*]. If no Event Determination Date occurs, each [[Credit Linked Note] [Credit Linked Certificate] will be redeemed at the [outstanding principal amount per Credit Linked Note] [Cash Settlement Amount per Credit Linked Certificate] [(or the relevant portion thereof)]].] where: "**Auction Settlement Amount**" means an amount equal to [*specify amount*] [the [Specified Denomination of a Note][Notional Amount of a Certificate] multiplied by the price resulting from an auction (an "**Auction**") organised by ISDA to obtain a price for obligations meeting certain criteria issued or incurred by the [relevant] Reference Entity; "**Cash Settlement Amount**" means an amount equal to [*specify amount*][the [Specified Denomination of a Note][Notional Amount of a Certificate] multiplied by the weighted average price obtained by the Swap Counterparty, acting as valuation agent, from dealers in such obligations, for obligations meeting certain criteria issued or incurred by the [relevant] Reference Entity; "**Credit Security Settlement Date**" means the Scheduled [Maturity][Redemption] Date or, if the Issuer delivers a notice to the holders of the [Notes][Certificates] and the Calculation Agent giving notice of the occurrence of certain events relating to the possibility that a Credit Event may occur shortly before or after the Scheduled [Maturity][Redemption] Date, the later date determined in accordance with the Terms and Conditions on which the [Notes][Certificates] are to be redeemed; "**Credit Event**" means the occurrence of one or more of certain [bankruptcy or insolvency], [restructuring][repudiation][acceleration of obligations][default of obligations] [or] [failure to pay] related events with respect to the [relevant] Reference Entity and/or certain [borrowed money][bond]loan] obligations it has issued or incurred (including as guarantor) determined in accordance with the Terms and Conditions; "**Event Determination Date**" means the date, subject to certain prescribed time limits, on which a committee established by ISDA (a "**Credit Derivatives Determinations Committee**") determines that a Credit Event has occurred or where the Credit Derivatives Determinations Committee determines that it will not resolve whether the relevant Credit Event has occurred, the date on which

Element	Title	
		the Swap Counterparty notifies the Issuer that a Credit Event has occurred [and provides a notice describing publically available information that the relevant event has occurred].] [***Settlement*** Each Warrant entitles its holder, upon due exercise, to receive from the Issuer on [●] (the "**Settlement Date**") [*Insert in the case of cash settled Warrants:* a Cash Settlement Amount equal to:][*Insert in the case of physically settled Warrants:* the Entitlement, being the quantity of [*specify relevant assets*] (the "**Relevant Assets**") equal to:]] **[*Final Payouts*]** **SPS Final Payouts** [SPS Fixed Percentage Securities] [SPS Reverse Convertible Securities] [SPS Reverse Convertible Standard Securities] [Vanilla Call Securities] [Vanilla Call Spread Securities] [Vanilla Put Securities] [Vanilla Put Spread Securities] [Vanilla Digital Securities] [Knock-in Vanilla Call Securities] [Knock-out Vanilla Call Securities] [Asian Securities] [Asian Spread Securities] [Himalaya Securities] [Autocall Securities] [Autocall One Touch Securities] [Autocall Standard Securities] [Certi plus: Booster Securities] [Certi plus: Bonus Securities] [Certi plus: Leveraged Securities] [Certi plus: Twin Win Securities] [Certi plus: Super Sprinter Securities] [Certi plus: Generic Securities] [Certi plus: Generic Knock-in Securities] [Certi plus: Generic Knock-out Securities] [Ratchet Securities] [Sum Securities] [Option Max Securities] [Stellar Securities] [Driver Securities] **FI Final Payouts** [FI FX Vanilla Securities] [FI Inflation Securities] **Entitlement Amounts** [Delivery of Worst-Performing Underlying] [Delivery of Best-Performing Underlying] [Delivery of the Underlying] (*Replicate formula, relevant value(s), relevant payout description and other related provisions from Terms and Conditions*) [Rounding and Residual Amount The Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered and in lieu thereof the Issuer will pay

Element	Title	
		an amount equal to the Rounding and Residual Amount, determined in accordance with the Terms and Conditions. The "**Rounding and Residual Amount**" will be determined as being equal to the sum of the values of all part-units of the Relevant Assets not delivered as part of the Entitlement Amount by virtue of the rounding down of the Entitlement Amount to whole units. [*Insert if "Payout Switch" is applicable:* If [a corresponding election is made by the Swap Counterparty in respect of the Swap Agreement relating to the [Notes][Certificates], the Issuer shall elect that the [redemption/payment basis] [Final Payout] be amended][an Automatic Payout Switch Event occurs], the [redemption/payment basis] [Final Payout] of the [Notes][Certificates] will be amended on and after [*specify*] (the "**Payout Switch Date**") to [*specify switched payout*]. "**Automatic Payout Switch Event**" means [*specify*].] [The Notes may be redeemed early for tax reasons at [*specify the early redemption amount*] [,[or] at the option of the Issuer [or at the option of the Noteholders] at [*specify*] (the "**Optional Redemption Amount**")]. [The Notes may also be redeemed early for [*specify any other early redemption option applicable to the Notes*] at [*specify the early redemption amount and any maximum or minimum redemption amounts*].] [The Certificates may be redeemed early [at the option of the Issuer [or]][at the option of the Certificateholders]] at [*specify*] (the "**Optional Redemption Amount**") equal to: [*specify*] [Put Payout] [The Certificates may also be redeemed early for [*specify*] at [*specify the early redemption amount and any maximum or minimum redemption amounts*].] [*If the Securities are Notes or Certificates, insert*: **Automatic Early Redemption**]/[*If the Securities are Warrants, insert*: **Automatic Early Expiration**] If on any [Automatic Early Redemption Valuation Date][Automatic Early Expiration Valuation Date] an [Automatic Early Redemption Event] [Automatic Early Expiration Event] (an "**Automatic Early Settlement Event**") occurs, the [Notes][Warrants][Certificates] will be [redeemed early][cancelled] at [the Automatic Early Redemption Amount][Automatic Early Expiration Payout Amount] on the [Automatic Early Redemption Date][Automatic Early Expiration Date]. [*Insert in the case of Notes*: The "**Automatic Early Redemption Amount**" in respect of each nominal amount of Notes equal to the Calculation Amount (which is [*specify*]) will be [equal to the product of the [(i)] Calculation Amount [and (ii) the sum of [*specify*] (the "**Automatic Early Redemption Percentage**")] [and [*specify*]] (the "**AER Rate**")]/[an amount equal to:[*specify*]]] [*Insert in the case of Certificates*: The "**Automatic Early Redemption Amount**" will be [equal to the product of [(i)] [*specify*] (the "**Notional Amount**") [and (ii) the sum of [*specify*] (the "**Automatic Early Redemption Percentage**")] [and [*specify*]] (the "**AER Rate**")]/[an amount equal to:[*specify*]]] [*Insert in the case of Warrants*: The "**Automatic Early Expiration Payout Amount**" will be equal to:] **Automatic Early Redemption Payouts** [SPS Automatic Early Redemption Payout]

Element	Title	
		[Target Automatic Early Redemption] [FI Underlying Automatic Early Redemption] [FI Coupon Automatic Early Redemption] [["**Automatic Early Redemption Event**"]["**Automatic Early Expiration Event**"] means the [*specify*][*insert in the case of a single Underlying Reference:* Underlying Reference Level][*insert in the case of a Basket of Underlying References:* the Basket Price] is [greater than][greater than or equal to][less than][less than or equal to] [*insert level*]. [["**Automatic Early Redemption Valuation Date**"]/["**Automatic Early Expiration Valuation Date**"] means [*specify*], subject to adjustment.] [["**Automatic Early Redemption Date**"]/["**Automatic Early Expiration Date**"] means [*specify*], subject to adjustment in accordance with the Terms and Conditions.]] ***Dual Currency [Notes][Certificates]*** In the case of Dual Currency Redemption [Notes][Certificates], any amount calculated to be payable on redemption of the [Notes][Certificates] will be converted into the Settlement Currency at the Specified Exchange Rate or the Settlement Currency Exchange Rate specified in the applicable Final Terms.]
[C.19	[Final reference] price of the Underlying	[Not applicable as there is no [final reference] price of the Underlying.] [The [final reference] price of the underlying reference will be determined in accordance with the valuation mechanics set out in Element C.18 above.]]
[C.20	Underlying	[Not applicable as there is no underlying.] [[*Specify*] is the underlying reference in respect of the [Notes] [Warrants] [Certificates] (the "**Underlying Reference(s)**"). Information on the Underlying Reference can be obtained from [*specify*].]]
[C.21	Indication of the market where the securities will be traded and for which prospectus has been published.	The [Notes][Warrants][Certificates] will be offered and may be traded in [Belgium] [France] [Germany] [Italy] [Luxembourg] [Poland] [Spain].]

Section D - Risks

Element	Title	
D.2	Key risks regarding the Issuer	There are certain factors that may affect the Issuer's ability to fulfil its obligations in respect of the [Notes][Warrants][Certificates]. These include that the Issuer's sole business is to enter into, perform and serve as a vehicle for any transactions permitted under the Securitisation Act 2004. The Issuer is not expected to have any assets that are available to [Noteholders][Warrantholders][Certificateholders] other than the Charged Assets and[save for recourse to the Guarantor under the Guarantee,] [Noteholders][Warrantholders][Certificateholders] will have no recourse to any other assets in respect of the Issuer's obligations in respect of the [Notes][Warrants][Certificates]. The ability of the Issuer to meet its obligations under the [Notes][Warrants][Certificates] will depend on the receipt by it of payments under the Swap Agreement and the [Deposit Agreement][Reference Securities][Repurchase Agreement]. Consequently, the Issuer will be exposed to the ability of [BNP Paribas][BNP Paribas Fortis SA/NV] in respect of the Swap Agreement [and] [[*specify*] in respect of the Deposit Agreement][[*specify*] in respect of the Reference Securities] [*specify dependency on any Related Agreements, if applicable*] to perform its obligations thereunder and to its general creditworthiness. [BNP Paribas][BNP Paribas Fortis SA/NV] will not provide credit support for its

Element	Title	
		obligations under the Swap Agreement]. The Issuer will be the sole party liable in respect of the [Notes][Warrants][Certificates]. In the event of insolvency proceedings in relation to the Issuer, [Noteholders][Warrantholders][Certificateholders] will bear the risk of delay in settlement of their claims they may have against the Issuer in respect of the [Notes][Warrants][Certificates] or receiving, in respect of their claims, the residual amount following realisation of the Issuer's assets after preferred creditors have been paid. In addition to the foregoing, the Issuer has identified in the Base Prospectus a number of other factors which could materially adversely affect its business and ability to make payments due in respect of the [Notes][Warrants][Certificates]. These factors include risks relating to the limited recourse of the [Noteholders][Warrantholders][Certificateholders] to the assets of the Issuer relating to Compartment [*specify*]; insolvency of the Issuer and the consequences thereof; and The Dodd-Frank Wall Street Reform and Consumer Protection Act [H.R. 4173] of 2010.
[D.3	Key risks regarding the Securities	[[There are certain factors which are material for the purposes of assessing the market risks associated with the [Notes][Certificates], including that [[Notes][Certificates] including leverage involve a higher level of risk and whenever there are losses on such [Notes][Certificates] those losses may be higher than those of a similar security which is not leveraged,] [the [trading price][value] of the [Notes][Certificates] is affected by a number of factors including, but not limited to, the [price][level][performance] of the [*specify Underlying Reference(s)*], time to [expiration or] redemption and volatility and such factors mean that the [trading price][value] of the [Notes][Certificates] may be below the [Final Redemption Amount][Cash Settlement Amount] [or value of the Entitlement,]][exposure to the [*specify Underlying Reference(s)*] will be achieved by the Issuer entering into hedging arrangements and potential investors are exposed to the performance of these hedging arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the [Notes][Certificates],][the [Notes][Certificates] may have a minimum trading amount and if, following the transfer of any [Notes][Certificates], a [Noteholder][Certificateholder] holds fewer [Notes][Certificates] than the specified minimum trading amount, such [Noteholder][Certificateholder] will not be permitted to transfer its remaining [Notes][Certificates] prior to expiration or redemption, as applicable, without first purchasing enough additional [Notes][Certificates] in order to hold the minimum trading amount,] [the Issuer may, in good faith and in a commercially reasonable manner, elect to vary the settlement of the [Notes][Certificates],][settlement may be postponed following the occurrence or existence of a settlement disruption event in accordance with the Terms and Conditions and, in these circumstances, the Issuer may pay an amount (which may be less than the fair market value of the Entitlement) in lieu of delivering the Entitlement,][the occurrence of an [additional disruption event] or [optional additional disruption event] may lead to an adjustment to the [Notes][Certificates][, cancellation][early redemption] of the [Notes][Certificates] or may result in the amount payable on scheduled [redemption] [settlement] being different from the amount expected to be paid at scheduled redemption and consequently the occurrence of an additional disruption event and/or optional additional disruption event may have an adverse effect on the value or liquidity of the [Notes][Certificates],][in certain circumstances, settlement may be postponed or made in US dollars if the Settlement Currency specified in the applicable Final Terms is not freely transferable, convertible or deliverable] [expenses and taxation may be payable in respect of the [Notes][Certificates],][the [Notes][Certificates] may be [cancelled][redeemed] in the case of illegality or impracticability and such [cancellation][redemption] may result in an

Element	Title	
		investor not realising a return on an investment in the [Notes][Certificates],][the provisions relating to meetings of [Noteholders][Certificateholders] permit defined majorities to bind all [Noteholders][Certificateholders],][any judicial decision or change to an administrative practice or change to English law [and/or [Italian] [Belgian] [French] [Polish] [German] [Luxembourg] law] after the date of the Base Prospectus could materially adversely impact the value of any [Notes][Certificates] affected by it,][a reduction in the rating, if any, accorded to outstanding debt securities of the Guarantor by a credit rating agency could result in a reduction in the [trading] value of the [Notes][Certificates],][certain conflicts of interest may arise (see Element E.4 below),][the only means through which a [Noteholder][Certificateholder] can realise value from the [Notes][Certificates] prior to their [Settlement Date][Maturity Date][Redemption Date] is to sell them at their then market price in an available secondary market and that there may be no secondary market for the [Notes][Certificates] (which could mean that an investor has to wait until [settlement][redemption] of the [Notes][Certificates] to realise a greater value than their trading value)]. [In addition, there are specific risks in relation to [Notes][Certificates] which are linked to [*specify Underlying Reference(s)*] and an investment in the [Notes][Certificates] will entail significant risks not associated with an investment in a conventional debt security. Related risk factors include: [*Insert in the case of Index Linked Notes/Certificates*: exposure to one or more index, adjustment events and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the [Notes][Certificates]][*Insert in the case of Share Linked Notes/Certificates*: exposure to one or more share, similar market risks to a direct equity investment, [global depositary receipt ("**GDR**") or American depositary receipt ("**ADR**"),] potential adjustment events or extraordinary events affecting shares and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the [Notes][Certificates]][*Insert in the case of Debt Linked Notes/Certificates:* exposure to a debt security, similar market risks to a direct debt security investment and market disruption][*Insert in the case of Commodity Linked Notes/Certificates*: exposure to one or more commodity and/or commodity index, similar market risks to a direct commodity investment, market disruption and adjustment events which may have an adverse effect on the value or liquidity of the [Notes][Certificates], delays to the determination of the final level of a commodity index resulting in delays to the payment of the [Cash Settlement Amount][Redemption Amount][Final Redemption Amount][*Insert in the case of ETI Linked Notes/Certificates*: exposure to one or more interests in an exchange traded fund, exchange traded note, exchange traded commodity or other exchange traded product (each an "**exchange traded instrument**" or "**ETI**"), similar market risks to a direct exchange traded instrument investment, that the amount payable on ETI Linked [Notes][Certificates] may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant ETI(s), potential adjustment events or extraordinary events affecting exchange traded instruments and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the [Notes][Certificates]][*Insert in the case of Inflation Linked Notes/Certificates*: exposure to an inflation index, market disruption][*Insert in the case of Currency Linked Notes/Certificates*: exposure to a currency, similar market risks to a direct currency investment, market disruption][*Insert in the case of Fund Linked Notes/Certificates*: exposure to a fund share or unit, similar risks to a direct fund investment, that the amount payable on Fund Linked [Notes][Certificates] may be less than the amount payable from a direct investment in the relevant Fund(s), extraordinary fund

Element	Title	
		events which may have an adverse effect on the value or liquidity of the [Notes][Certificates]] [*Insert in the case of Underlying Interest Rate Linked Notes/Certificates*: exposure to an underlying interest or Constant Maturity Swap rate][*Insert in the case of Credit Linked Notes/Certificates*: exposure to the credit of one or more reference entities][*Insert in the case of Debt Linked Notes/Certificates*: exposure to a debt instrument, similar market risks to a direct debt instrument investment and market disruption][and that the Issuer will not provide post-issuance information in relation to the [*specify Underlying Reference*].] [Furthermore there are specific risks in relation to [Notes][Certificates] linked to an Underlying Reference from an emerging or developing market (including, without limitation, 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 status, interpretation and applicable of laws, increased custodian costs and administrative difficulties and higher probability of the occurrence of a disruption or adjustment event). [Notes][Certificates] traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile.] [*Insert if FX Settlement Disruption applies to the Notes or Certificates:* In certain circumstances (including, without limitation, as a result of restrictions on currency convertibility and/or transfer restrictions), it may not be possible for the Issuer to make payments in respect of the [Notes][Certificates] in the Settlement Currency specified in the applicable Final Terms. In these circumstances, the payment of principal and/or interest may occur at a different time and/or made in US dollars and the market price of such [Notes][Certificates] may be volatile.] [There are also specific risks in relation to Dynamic Securities which are intrinsically more complex making their evaluation difficult in terms of risk at the time of the purchase as well as thereafter.] In addition, in relation to any [Note][Certificate], only the Trustee may take action (including enforcement action) against the Issuer, and is not obliged to take any such action without first being indemnified and/or secured to its satisfaction. There are specific risks applicable to Dual Currency [Notes][Certificates], including, without limitation, exposure to movements in currency exchange rates which may result in significant fluctuations in the value of the [Notes][Certificates], that payment of principal and/or interest, may occur at a different time or in a different currency than expected, that investors will not benefit from favourable changes in exchange rates during the term of the Dual Currency [Notes][Certificates] where a pre-determined rate of exchange is applicable, that the market price of such [Notes][Certificates] may be volatile, that Holders of Securities may need to specify additional information to receive a relevant currency and failure to do so within a prescribed period may result in payments being delayed or, in certain circumstances, the Issuer being discharged from its payment obligations, 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, and that Holders of Securities may, in circumstances where it is not possible to make payments of principal and/or interest in the Settlement Currency, receive no interest and they may lose all or a substantial portion of their principal. [The [Notes][Certificates] are guaranteed by [BNP Paribas][BNL]. [There are certain factors that may affect BNP Paribas' obligations under the [General Guarantee] [Shortfall Guarantee]: Twelve main categories of risk are inherent in BNP Paribas' activities:

Element	Title	
		• Credit Risk; • Counterparty Risk; • Securitisation; • Market Risk; • Operational Risk; • Compliance and Reputation Risk; • Concentration Risk; • Asset-liability management Risk; • Breakeven Risk; • Strategy Risk; • Liquidity and refinancing Risk; • Insurance subscription Risk. Difficult market and economic conditions could have a material adverse effect on the operating environment for financial institutions and hence on BNP Paribas' financial condition, results of operations and cost of risk. BNP Paribas' access to and cost of funding could be adversely affected by a resurgence of the Euro-zone sovereign debt crisis, worsening economic conditions, rating downgrades, increases in credit spreads or other factors. Significant interest rate changes could adversely affect BNP Paribas' revenues or profitability. The soundness and conduct of other financial institutions and market participants could adversely affect BNP Paribas. BNP Paribas may incur significant losses on its trading and investment activities due to market fluctuations and volatility. BNP Paribas may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns. Protracted market declines could reduce liquidity in markets, making it harder to sell assets and possibly leading to material losses. Legislative action and regulatory measures taken in response to the global financial crisis may materially impact BNP Paribas and the financial and economic environment in which it operates. BNP Paribas is subject to extensive and evolving regulatory regimes in the countries and regions 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. BNP Paribas may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions. Intense competition, especially in France where it has the largest single concentration of its businesses, could adversely affect BNP Paribas' 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 BNP Paribas' risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses. BNP Paribas' hedging strategies may not prevent losses. BNP Paribas' competitive position could be harmed if its reputation is damaged. An interruption in or a breach of BNP Paribas' information systems may result in lost business and other losses. Unforeseen external events could interrupt BNP Paribas' operations and cause substantial losses and additional costs.] [There are certain factors that may affect BNL's obligations under any BNL Guarantee. These include, but are not necessarily limited to: • risks arising from the economic-financial crisis; • credit risk;

Element	Title	
		• risks relating to pending legal proceedings; • liquidity risk; • risk relating to the potential deterioration of BNL's credit worthiness; • operational risk; and • market risk.]] Investors should be aware that they may lose the value of their entire investment [(together with, in addition to such investment, any amounts which may have accrued on such investment but which have not been paid)] or part of it, as the case may be[and/or any amounts which may have accrued on such investment but which have not been paid] as a result of the terms and conditions of the Securities.] [If the Guarantor is unable or unwilling to meet its obligations under the Guarantee when due, an investor may lose all or part of his investment in the [Notes][Certificates].]]
[D.6	Key risks regarding the securities and risk warning	[*Insert applicable risk factors described in Element D.3 in case of derivative securities.*] [*In the case of Warrants, replace "[Notes] [Certificates]" with "Warrants"*] [Limitations on the exercise of Warrants may mean that a Warrantholder is not able to exercise all the Warrants that it desires to exercise on a particular date where the Issuer has the option to limit the number of Warrants exercisable on any date or may be required to sell or purchase Warrants (incurring transaction costs in each case) in order to realise its investment where a minimum number of Warrants must be exercised,][in the case of Warrants, changes in the Cash Settlement Amount during the time lag between a Warrantholder giving instructions to exercise and determination of the Cash Settlement Amount could decrease the Cash Settlement Amount,] Investors should be aware that they may lose the value of their entire investment [(together with, in addition to such investment, any amounts which may have accrued on such investment but which have not been paid)] or part of it, as the case may be[and/or any amounts which may have accrued on such investment but which have not been paid].]

Section E - Offer

Element	Title	
[E.2b	Reasons for the offer and use of proceeds	[The net proceeds of the [Notes][Warrants][Certificates] will be used by the Issuer to enter into and/or make payments under the [Swap Agreement][the Repurchase Agreement][and the Deposit Agreement][and/or acquire the Reference Securities] [and/or to pay fees and expenses in connection with the administration of the Issuer and/or the [Notes][Warrants][Certificates]].]
[E.3	Terms and conditions of the offer	[The [Notes][Warrants][Certificates] offered by [*specify*] through door-to-door selling pursuant to Article 30 of Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the "**Italian Financial Services Act**") will be offered from and including, [*specify*] to, and including, [*specify*]. Pursuant to Article 30, paragraph 6, of the Italian Financial Services Act, the validity and enforceability of contracts entered into through door-to-door selling is suspended for a period of seven days beginning on the date of subscription by the investor. Within such period investors may communicate their withdrawal to [*specify*] without payment of any charge or commission.] [The [Notes][Warrants][Certificates] will be also offered by [*specify*] through recorded telephone orders.] Applications to subscribe for the [Notes][Warrants][Certificates] can be made in [*specify*] by contacting [*specify*].

Element	Title		
		SecurAsset S.A. has been informed by [*specify*] (as the "**Authorised Offeror[s]**") that the distribution of the [Notes][Warrants][Certificates] will be carried out in accordance with the Authorised Offeror[']s['] usual procedures and subject to applicable laws and regulations. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the [Notes][Warrants][Certificates]. There are no pre-identified allotment criteria. SecurAsset S.A. has been informed that the Authorised Offeror[s] will adopt allotment criteria that ensure equal treatment of prospective investors. All of the [Notes][Warrants][Certificates] requested through the Authorised Offeror[s] during the Offer Period will be assigned up to the maximum amount of the offer. Offers may be made by the Authorised Offeror[s] in [*specify*] to [*specify*]. Each investor will be notified by the Authorised Offeror[s] of its allocation of [Notes][Warrants][Certificates] after the end of the Offer Period. Neither SecurAsset S.A. nor the Dealer is responsible for such notification.	
		Offer Period:	From, [and including][but excluding], [*specify*] to, [and including][but excluding], [*specify*].
		Offer Price (per [Note][Warrant][Certificate]):	[*specify*]
		Conditions to which the offer is subject:	The Issuer reserves the right to withdraw the offer of the [Notes][Warrants][Certificates] at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such right to withdraw the offer of [Notes][Warrants][Certificates], each such potential investor shall not be entitled to subscribe to or otherwise acquire [Notes][Warrants][Certificates].
		Details of the minimum and/or maximum amount of application:	Minimum subscription amount per investor: [*specify*]. Maximum subscription amount per investor: [*specify*].
		Description of possibility to reduce subscriptions and manner for refunding excess amount paid by the applicants:	[*specify.*][Not applicable.]
		Details of the method and time limits for paying up and delivering the Certificates.	[*specify*]]
E.4	Interest of natural and legal persons involved in the issue/offer	[Save for [*specify any interest that is material*],] [so far as the Issuer is aware, no person involved in the issue of the [Notes][Warrants][Certificates] has an interest material to the offer, including conflicting interests.]]	
E.7	Expenses charged to the investor by the Issuer or an offeror	[Not applicable as no expenses are being charged to an investor by the Issuer [or the Authorised Offeror[s]].] [For this specific issue, however, expenses may be charged by an Authorised Offeror (as defined above) in the range between [●] per cent. and [●] per cent. of the [nominal][notional] amount of the [Notes][Warrants][Certificates] to be purchased by the relevant investor.]	

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 and the risk factors incorporated by reference relating to BNP Paribas as Guarantor (incorporated by reference on pages 225 to 348 of the BNPP 2013 Registration Document, pages 243 to 382 of the BNPP 2014 Registration Document and page 66 of the Second Update to the BNPP 2014 Registration Document) and BNL as Guarantor (incorporated by reference on pages 229 to 343 of the Annual Report 2013 and Pages 231 to 344 of the Annual Report 2014) (which the Issuer, in its reasonable opinion, believes represents or may represent the risk factors known to it which may affect the 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.

A. Risks relating to the Issuer

Factors that may affect the Issuer's ability to fulfil its obligations under the Securities issued under the Programme

Risks relating to the Issuer

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme. The Issuer's sole business is to enter into, perform and serve as a vehicle for, any transactions permitted under the Securitisation Act 2004. The Issuer finances the purchase of the Compartment Assets with the proceeds of the issue of Series of Securities. Each Series of Securities will be issued through a separate Compartment. The Issuer has, and will have, no assets that are available to Holders of Securities other than Compartment Assets or other Charged Assets acquired by it, in each case in connection with the issue of the Securities or the entry into of other obligations relating to the Programme or otherwise from time to time. Recourse of the Holders of Securities against the Issuer is limited to, and conditional upon, the funds available to the Issuer from time to time in respect of the assets designated as Compartment Assets and other Charged Assets in the Final Terms and the Issuer shall have no liability to make any payments under the Securities where such funds are not available to it. Therefore, the Holders of Securities are exposed to the risk that the Issuer will not have sufficient funds available to it to make payments owed under the Securities and will not have any further recourse against the Issuer or any other party (other than, in the case of Guaranteed Notes, Guaranteed Warrants, or Guaranteed Certificates, as applicable, the relevant Guarantor, in accordance with the Conditions and the applicable Guarantee) in such circumstances, but will suffer a corresponding loss on their investment.

Issuer's dependency upon counterparty to swap agreements, deposit agreements and repurchase agreements

The ability of the Issuer to meet its obligations under Securities issued by it may depend on the receipt by it of payments under relevant swap agreements, which will be entered into with BNP Paribas or BNP Paribas Fortis SA/NV, deposit agreements or repurchase agreements. Consequently, the Issuer is exposed to the ability of counterparties in respect of such swap agreements, deposit agreements and/or repurchase agreements to perform their obligations under such agreements and to the creditworthiness of such counterparties. In particular, in respect of certain Series of Securities, the Issuer may pay the issue proceeds of the Securities to the Swap Counterparty in return for the Swap Counterparty agreeing to pay all amounts due on the Securities. In such circumstances, the Swap Counterparty may or may not provide credit support for its obligations under the relevant Swap Agreement. Where the Swap Counterparty does

provide credit support for its obligations, such credit support may only be in amounts which are equal to the market value (or a percentage thereof) of the Securities at that time and which, in the case of Notes, may be less than the principal amount outstanding of the Notes. The Issuer will be dependent in whole or in part on receipt of payments from the Swap Counterparty in order to meet its obligations under the Securities. Certain Notes or Certificates, as the case may be, may be subject to early redemption, and certain Warrants may be subject to cancellation, in the event that the Swap Counterparty or any affiliate incurs or would incur a materially increased cost in relation to the Swap Counterparty performing its obligations with respect to the Swap Agreement. Upon such redemption or cancellation (as the case may be), Holders of Securities may receive less than the original amount invested in the relevant Securities. Following such redemption or cancellation, as applicable, an investor may not be able to reinvest the proceeds of such redemption or cancellation (as the case may be) on equivalent terms. Potential investors should consider reinvestment risk in light of other investments available at that time.

Issuer's dependency upon Compartment Assets

The ability of the Issuer to meet its obligations under Securities issued by it may depend on the receipt by it of payments from the Compartment Assets it purchases (if any) with the proceeds of the issue of each Series of Securities. Such Compartment Assets securing the Securities may not be realisable for their full nominal value and the Noteholders, the Warrantholders and the Certificateholders (together, the "**Holders of Securities**") are therefore exposed to the risk that the Issuer will not have sufficient funds available to it to make payments owed under the Securities.

Compartments

The board of directors of the Issuer (the "**Board**") may establish one or more compartments (together the "**Compartments**" and each a "**Compartment**"), each of which is a separate and distinct part of the Issuer's estate (*patrimoine*) and which may be distinguished by the nature of acquired risks or assets and the Conditions as completed by the applicable Final Terms, the reference currency or other distinguishing characteristics. The Conditions of the Securities issued in respect of, and the specific objects of, each Compartment shall be determined by the Board. Each Secured Party shall be deemed to fully adhere to, and be bound by, the Conditions applicable to the Securities and the Articles of Incorporation of the Issuer (the "**Articles**").

The Issuer is established as a *société de titrisation* within the meaning of the Securitisation Act 2004 which provides that claims against the Issuer by the Secured Parties will, in principle, be limited to the net assets of the relevant series of Securities allocated to the relevant Compartment. In respect of any Compartment and any Security (save for any Security which is a Guaranteed Note, Guaranteed Warrant or Guaranteed Certificate, as applicable), and following a Note Acceleration in respect of such Note, Warrant Acceleration in respect of such Warrant, or Certificate Acceleration in respect of such Certificate, as applicable, the entitlement of the holder of such Security will be limited to such Holder of Securities' *pro rata* share of the net proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms. If, in respect of any Security, the net proceeds of the enforcement or liquidation of the relevant Charged Assets are not sufficient to make all payments due in respect of such Security, no other assets of the Issuer will be available to meet such shortfall, and the claims of the holder of such Security as against the Issuer in respect of any such shortfall shall be extinguished. Where amounts are due to be paid in priority to a Security in accordance with the Order of Priority, the net proceeds of the enforcement or liquidation of the relevant Charged Assets may not be sufficient to pay such amounts or may only be sufficient to make all such payments due in priority to such Security, in which case no amounts will be available to make payments in respect of such Security. In all cases, neither the holder of a Security nor any person on its behalf (including the Trustee) shall have the right to petition for the winding-up of the Issuer

as a consequence of any shortfall. Holders of Securities, by acquiring the Securities, expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and, in particular, the provisions with respect to compartments, limited recourse, non-petition, subordination and priority of payments.

Each Compartment may be separately liquidated without such liquidation resulting in the liquidation of another Compartment or of the Issuer itself. As far as each Compartment is concerned and subject to any particular rights or limitations attaching to any Securities, as may be specified in the Articles or upon which such Securities may be issued including, without limitation, the relevant Conditions and the applicable Final Terms, if the net assets of a Compartment are liquidated the proceeds thereof shall be applied in the order set out in the Conditions.

As between the Secured Parties, each Compartment is deemed to comprise assets of a separate entity.

Fees, expenses and other liabilities incurred on behalf of the Issuer but which do not relate specifically to any Compartment shall be general liabilities of the Issuer and shall not be payable out of the assets of any Compartment. The Board shall ensure that creditors of such liabilities waive recourse to the assets of any Compartment. If such creditors do not waive recourse and such general liabilities cannot be otherwise funded, they shall be apportioned *pro rata* among the Compartments of the Issuer upon a decision of the Board.

The Board shall establish and maintain separate accounting records for each of the Compartments of the Issuer. The assets of each Compartment may include the proceeds of the issue of the Securities of the relevant Series, any Related Agreements, any collateral relating to such Series, any proceeds from the Related Agreements and any such collateral. The fees, costs and expenses in relation to the Securities of each Series may be allocated to the respective Compartment in accordance with the relevant Conditions.

To give effect to the provisions of the Securitisation Act 2004 and the Articles under which the Charged Assets of a Compartment are available only for the Secured Parties for the relevant Series relating to that Compartment, the Issuer will contract with parties for the account of the relevant Compartment and on a "limited recourse" basis such that claims against the Issuer in relation to each Series would be restricted to the Charged Assets of the Compartment for the relevant Series.

Issuer acting in respect of the relevant Compartment as the sole party liable under the Securities

The Securities will be contractual obligations of the Issuer solely in respect of the relevant Compartment of the Issuer. The fulfilment of the Issuer's obligations under the Securities are not guaranteed by any third party save for any Note which is a Guaranteed Note, any Warrant which is a Guaranteed Warrant, or any Certificate which is a Guaranteed Certificate, as applicable. Consequently, Holders of Securities have no right of recourse against any such third parties. In connection with the above it should also be noted that, pursuant to the Securitisation Act 2004, where individual Compartment Assets are insufficient for the purpose of meeting the Issuer's obligations under the relevant issue of Securities, it will not be possible for the Noteholders of that issue to obtain satisfaction of the debt owed to them by the Issuer from assets belonging to another Compartment or, in the case of Warrantholders and Certificateholders, to obtain payment of the amount owed to them by the Issuer from assets belonging to another Compartment. Accordingly, to the extent Compartment Assets are insufficient, the Holders of Securities risk not being able to receive any amounts in respect of their investment or losing the entire value of their initial investment.

The Investors may be exposed to competing claims of other creditors of the Issuer, the claims of which have not arisen in connection with the creation, the operation or the liquidation of a Compartment if foreign courts, which have jurisdiction over the assets of the Issuer allocated to a Compartment do not recognise the segregation of assets and the compartmentalisation, as provided for in the Securitisation Act 2004. The claims of these other creditors may affect the scope of assets which are available for the satisfaction of claims of the Investors. If as a result of such claims, a shortfall arises, such shortfall will be borne by the Investors.

Insolvency of the Issuer

Although the Issuer will contract on a "limited recourse" and non-petition basis as noted above, it cannot be excluded as a risk that the Issuer's assets (that is, its aggregate Compartment Assets plus any other assets it may possess) will become subject to insolvency proceedings. The Issuer is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg and managed by its Board. Accordingly, insolvency proceedings with respect to the Issuer would likely proceed under, and be governed by, the insolvency laws of Luxembourg.

Under Luxembourg law, a company is insolvent (*en faillite*) when it is unable to meet its current liabilities and when its creditworthiness is impaired. The Issuer can be declared bankrupt upon petition by a creditor of the Issuer or at the initiative of the court or at the request of the Issuer in accordance with the relevant provisions of Luxembourg insolvency law. If granted, the Luxembourg court will appoint a bankruptcy trustee (*curateur*) who shall be obliged to take such action as he deems to be in the best interests of the Issuer and of all creditors of the Issuer. Certain preferred creditors of the Issuer (including the Luxembourg tax authorities) may have a priority that ranks senior to the rights of the Secured Parties (including Holders of Securities) in such circumstances. Other insolvency proceedings under Luxembourg law include controlled management and moratorium of payments (*gestion controlée et sursis de paiement*) of the Issuer, composition proceedings (*concordat*) and judicial liquidation proceedings (*liquidation judicaire*).

In the event of such insolvency proceedings taking place, Holders of Securities bear the risk of a delay in the settlement of any claims they might have against the Issuer or receiving, in respect of their claims, the residual amount following realisation of the Issuer's assets after preferred creditors have been paid, with the result that they may lose their initial investment.

Consequences of insolvency proceedings

If the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is unable to pay its debts and may obtain no further credit), a creditor, who has not (and cannot be deemed to have) accepted non petition and limited recourse provisions in respect of the Issuer, will be entitled to make an application for the commencement of insolvency proceedings against the Issuer. In that case, such creditor would, however, not have recourse to the assets of any Compartment (in the case that the Issuer has created one or more Compartments) but would have to exercise its rights on the general assets of the Issuer unless its rights would arise in connection with the "creation, operation or liquidation" of a Compartment, in which case, the creditor would have recourse to the assets allocated to that Compartment but he would not have recourse to the assets of any other Compartment. Furthermore, the commencement of such proceedings may in certain conditions, entitle creditors (including the relevant counterparties) to terminate contracts with the Issuer (including Related Agreements) and claim damages for any loss created by such early termination. The Issuer will seek to contract only with parties who agree not to make application for the commencement of winding-up, liquidation and bankruptcy or similar proceedings against the Issuer. Legal proceedings initiated against the Issuer in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg court.

Custody Arrangements

Compartment Assets (together with any related Compartment Security) will be held by the Custodian on behalf of the Issuer pursuant to the Agency Agreement (as defined in Condition 8(b)(i) of the "*Terms and Conditions of the Notes*", Condition 9(b)(i) of "*Terms and Conditions of the Warrants*" and Condition 9(b)(i) of the "*Terms and Conditions of the Certificates*"). Assets held by the Custodian may not be immediately available to investors upon the bankruptcy of the Custodian and certain classes of creditors having general rights of preference stipulated by Luxembourg law, such as preference rights for judicial fees (including the fees and costs of a receiver/liquidator), unpaid salaries and various tax, excise and social security contributions, may take preference over secured creditors in bankruptcy proceedings. In circumstances where a charge under English law is expressed to be taken over the Compartment Assets and the Compartment Assets are held by or through the Custodian through a clearing system or where the Compartment Assets are held outside England and Wales, any security over the Compartment Assets will take the form of an assignment by way of security of the Issuer's rights against the Custodian under the Agency Agreement to the extent that such rights relate to the Compartment Assets, rather than a charge over the Compartment Assets themselves.

In addition, in respect of certain Series of Securities, the collateral provided by the Swap Counterparty as credit support for its obligations may be held not by the Custodian but by another bank or institution as specified in the applicable Final Terms. Investors in such Securities are exposed to the credit risk of such entity, such collateral may not be immediately available to investors upon the bankruptcy of such entity and other creditors of such entity may take preference as secured creditors in bankruptcy proceedings.

FATCA

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 as amended (the **U.S. Tax Code**), or any successor provisions or any current or future regulation promulgated thereunder, official interpretations thereof, published administrative guidance implementing such Sections or regulations whenever promulgated or published, or any fiscal or regulatory legislation, rules, or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections or the U.S. Tax Code are referred to collectively herein as FATCA. FATCA imposes a reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, and (ii) possibly, beginning in 2019 at the earliest, pursuant to rules not yet finalised, "foreign passthru payments" made by certain participating non-U.S. financial institutions to certain non-U.S. financial institutions that do not comply with FATCA and certain payees that do not provide information sufficient to establish compliance with, or an exemption from, FATCA withholding.

While the Securities are in global form and held within Euroclear Bank S.A/N.V. and Clearstream Banking, société anonyme (the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. 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) 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. The Issuer's obligations under the Securities are discharged once it has made payment to, or to the order of, the common depositary or common safekeeper for the ICSDs (as registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. The documentation expressly contemplates the possibility that the Notes may be exchanged for Notes in definitive form and therefore may be taken out of the ICSDs. If this were to happen, a non-FATCA compliant holder could potentially be subject to FATCA withholding. However, 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.

On 28 March 2014, the United States and the Grand Duchy of Luxembourg concluded an intergovernmental agreement, Agreement between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg to Improve International Tax Compliance and with respect to The United States information reporting provisions commonly known as the Foreign Account Tax Compliance Act (the "**Luxembourg IGA**"). Under the Luxembourg IGA, the United States and Luxembourg have agreed to implement FATCA through domestic reporting obligations for financial institutions, an automatic exchange of account information between the public authorities of the two countries and on the basis of existing bilateral tax treaties. The Luxembourg IGA as well as the related exchange of notes signed on 31 March 2015 and on 1 April 2015 have been approved in Luxembourg by the law of 24 July 2015 (the "**Law**"). Further to the entry into force of the Law, an issuer located in Luxembourg does not have to enter into an FFI Agreement, but has to comply with the requirements under the Law and the Luxembourg IGA in order to become a participating FFI.

Under the Luxembourg IGA (and assuming the Issuer complies with the relevant obligations under the IGA), the Issuer should not be subject to withholding under FATCA in respect of any payments it receives and the Issuer should not be required to withhold under FATCA or the IGA (or the Law) from any payments it makes.

Prospective holders of the Securities should consult their own tax advisor with respect to the FATCA rules and the application of FATCA to such holder in light of such holder's individual circumstances. If an amount in respect of FATCA withholding tax would be required to be deducted or withheld from payments on the Securities, the terms of the Securities will not require any person to pay additional amounts as a result of the deduction or withholding of such tax.

European Market Infrastructure Regulation and Markets in Financial Instruments Directive

European Regulation 648/2012, known as the European Market Infrastructure Regulation ("**EMIR**") entered into force on 16 August 2012 and took direct effect in the member states of the European Union in 2013. Under EMIR certain over-the-counter ("**OTC**") derivatives that are traded in the European Union by financial counterparties ("**FCs**"), such as investment firms, credit institutions and insurance companies, and certain non-financial counterparties ("**NFCs**") have to be cleared (the "**clearing obligation**") via an authorised central clearing counterparty (a "**CCP**"). In addition, EMIR requires the reporting of OTC derivative contracts to a trade repository (the "**reporting obligation**") and introduces certain risk mitigation requirements in relation to OTC derivative contracts that are not cleared by a CCP.

Under EMIR, a CCP will be used to meet the clearing obligation by interposing itself between the counterparties to the eligible derivative contracts. CCPs will connect with derivative counterparties through their clearing members. Each derivative counterparty will be required to post both initial and variation margin to the clearing member, which will in turn be required to post margin to the CCP. EMIR requires CCPs to only accept highly liquid collateral with minimal

credit and market risk. A NFC may also be subject to the clearing obligation and the reporting obligation, subject to its positions in OTC derivatives contracts exceeding certain thresholds. Whilst it appears that entities like the Issuer would be considered a NFC under EMIR, the position remains to be fully clarified. Thus, it cannot be excluded that the Issuer will be subject to the clearing obligation in the future. NFCs which enter into an OTC derivative contract which are not "eligible" for clearing would have to ensure that appropriate procedures and arrangements are in place to monitor and minimise operational and credit risk.

The Issuer may have to apply certain risk mitigation techniques in relation to timely confirmation, portfolio reconciliation and compression, and dispute resolution that are applicable to OTC derivatives contracts that are not cleared by a CCP. Further, the Issuer will be required to deliver certain information about any Swap Agreement to a registered or recognised trade repository. The European Securities and Markets Authority ("**ESMA**") has developed certain regulatory and implementing technical regulation standards in connection with EMIR that have been adopted by the European Commission. According to the regulatory technical standards adopted as Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 that entered into force on 15 March 2013, the obligations in relation to certain risk mitigation techniques (portfolio reconciliation, portfolio compression and dispute resolution) apply as of 15 September 2013. EMIR also imposes a record-keeping requirement pursuant to which counterparties must keep records of any derivative contract they have concluded and any modification for at least five years following the termination of the contract.

The EU regulatory framework relating to derivatives is set not only by EMIR but also by the amending Directive to the existing Markets in Financial Instruments Directive published in the Official Journal on 12 June 2014 ("**MiFID II**") Member States are required to implement national legislation giving effect to MiFID II within 24 months after the entry into force of MiFID II (i.e., June 2016) which national legislation must apply within 30 months after the entry into force of MiFID II. In particular, MiFID II is expected to require all transactions in OTC derivatives to be executed on a trading venue. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer.

Investors in the Securities should be aware that the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. The full impact of EMIR and of MiFID II remains to be clarified and the scope of their possible implications of for investors in the Securities cannot currently be predicted. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR and MiFID II and technical implementation in making any investment decision in respect of the Securities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act and other regulatory changes affecting derivatives markets

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"), which provides for substantial changes to the regulation of the futures and over-the-counter ("**OTC**") derivative markets, was enacted in July 2010.

Dodd-Frank requires regulators, including the U.S. Commodity Futures Trading Commission ("**CFTC**"), the U.S. Securities and Exchange Commission ("**SEC**"), the Department of the Treasury, the Financial Stability Oversight Council (the "**FSOC**"), the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to adopt regulations to implement

many of the requirements of the legislation. While certain regulations under Dodd-Frank have been adopted, much of the significant rule-making remains to be done, and the ultimate nature and scope of the regulations cannot yet be determined.

Based on the regulations issued and guidance provided to date, it is not clear whether the Warrants or Certificates would be deemed to be "swaps" or "security-based swaps" under Dodd-Frank and regulated as such by the CFTC or the SEC. If the Warrants or Certificates were deemed to be "swaps" under Dodd-Frank and issued by a non-US person to other non-US persons (with none of such non-US persons guaranteed by or affiliate conduits of US persons or foreign branches of "swap dealers" or "major swap participants" that are US persons), the Warrants or Certificates may not be subject to Dodd-Frank. While the CFTC has finalised guidance on the definition of "US person" for purposes of the extraterritorial application of swap regulations, the SEC has not yet provided full and final guidance on cross-border security-based swap activities, with the sole exception of adopting final rules addressing when a cross-border transaction must be counted toward the requirement to register as a security-based swap dealer or major security-based swap participant.

Instruments that are considered "swaps" or "security-based swaps" under Dodd-Frank are subject to regulation thereunder, including, but not limited to, requirements with respect to reporting, recordkeeping, due diligence of potential investors and clearing. While the CFTC and the SEC have adopted many of the final regulations, the ultimate nature and scope of the regulations cannot yet be determined. These regulations may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. In addition, these legislative and regulatory changes will likely increase the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Without limitation, these changes will require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers are required to be registered and will be subject to various regulatory requirements, including capital and margin requirements. The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the return on and value of the Securities.

Given that the full scope and consequences of the enactment of Dodd-Frank and the rules still to be enacted thereunder are not yet known, investors are urged to consult their own advisors regarding the suitability of an investment in any Securities under the Programme.

Further, the Issuer could be required to register as a commodity pool operator and to register one or more Series as commodity pools with the CFTC through the National Futures Association. Such additional registrations may result in increased reporting obligations and also in extraordinary, non-recurring expenses of the Issuer thereby materially and adversely impacting a Security's value.

In addition, other regulatory bodies have proposed or may propose in the future (such as MiFID II as regards to which see above) similar to those required by Dodd-Frank or other regulations containing other restrictions that could adversely impact the liquidity of and increase costs of entering into derivatives transaction.

B. Risks relating to Guaranteed Securities

Nature of Guarantees

In the event the General Guarantee is specified as applicable in the applicable Final Terms, prospective purchasers of Guaranteed Securities should note that the Guarantee is a guarantee of the Issuer's obligations which are themselves limited by a number of factors including, but not limited to, the provisions of the Securitisation Act 2004 and the Conditions of the Notes, the Conditions of the Warrants or the Conditions of the Certificates (as the case may be), including, without limitation, those relating to (i) the applicable redemption amount (which may be limited to the liquidation proceeds of the Charged Assets of the Compartment relating to such Note, Warrant or Certificate, as the case may be), (ii) Compartments, (iii) limited recourse, (iv) non-petition, (v) subordination and (vi) priority of payments, as described in the Base Prospectus. Holders of Guaranteed Securities would therefore retain the risk that these factors may result in payments under the Guaranteed Securities being less than amounts which would otherwise have been due, as described in "*Risk Factors – Risks relating to the Issuer*".

In the event the Shortfall Guarantee is specified as applicable in the applicable Final Terms, prospective purchasers of Guaranteed Securities should note that the Guarantee is a not a full guarantee of the Issuer's obligations but only relates to the payment of any Shortfall Amount (as defined in the Guarantee) and is conditional on (i) the Holders of the Securities receiving less than the amount which would otherwise have been payable in respect of the Securities on the Maturity Date (in the case of Notes), Redemption Date (in the case of Certificates), Settlement Date (in the case of Warrants), Early Redemption Date or Automatic Early Redemption Date (as applicable and in the case of Notes and Certificates) or Early Termination Date (in the case of Warrants), as the case may be, in accordance with the Conditions of the Notes, the Conditions of the Warrants or the Conditions of the Certificates (as the case may be) and (ii) the liquidation of the Charged Assets (either following the enforcement of the security for the Securities or following the occurrence of an Early Redemption Event or Early Termination Event). The Shortfall Amount represents the amount by which any Available Enforcement Proceeds are insufficient to meet (1) the Final Redemption Amount or Automatic Early Redemption Amount (as applicable and in the case of Notes or Certificates) or Cash Settlement Amount (in the case of Warrants) on the Maturity Date or Automatic Early Redemption Date (as applicable and in the case of Notes), Settlement Date (in the case of Warrants) or Redemption Date or Automatic Early Redemption Date (as applicable and in the case of Certificates), (2) the fair market value of the relevant Security following an Event of Default (other than an Event of Default resulting from a failure to pay the Final Redemption Amount or Automatic Early Redemption Amount (in the case of Notes or Certificates) or the Cash Settlement Amount (in the case of Guaranteed Warrants)), an Early Redemption Event or an Early Termination Event or (3) such other amount as specified in the Final Terms.

In the event the BNL Guarantee is specified in the Final Terms, prospective purchasers of Guaranteed Securities should be aware that the Guarantee in respect of the Issuer's obligations is limited to those payment obligations which the Issuer fails to fulfil as a consequence of a failure by the Swap Counterparty to satisfy its payment obligation under the Swap Agreement as and when the same become due, and does not extend to any failure by the Issuer to fulfil its payment obligations for any other reasons. Accordingly, where the BNL Guarantee is specified in the Final Terms, if the Issuer is unable to meet some or all of its payment obligations under any Guaranteed Securities for reasons other than a failure by the Swap Counterparty to satisfy its payment obligations under the Swap Agreement, the Guarantor will not be obliged to guarantee such payment obligations of the Issuer. In circumstances where the Issuer is unable to meet some or all of its payment obligations under any Guaranteed Securities because of both a failure by the Swap

Counterparty to pay amounts when due from the Swap Counterparty under the Swap Agreement and for other reasons, the Guarantor's obligations under the Guarantee will be limited to the extent of the failure of the Swap Counterparty to satisfy its payment obligations under the Swap Agreement as and when the same become due. Accordingly, holders of Guaranteed Securities will, in the circumstances described above, retain the risk that payments under the Guarantee may be less than amounts which would otherwise have been due under the Guaranteed Securities.

C. Risks relating to the Guarantor where the Guarantor is BNPP

See Chapter 5 ("*Risks and Capital Management*") of the BNPP 2014 Registration Document which is incorporated by reference into the Base Prospectus (see "*Documents Incorporated by Reference*") and which discloses all material risks relating to BNPP's ability to fulfil its obligations under the Guaranteed Securities to investors.

D. Risks relating to the Guarantor where the Guarantor is BNL

Risks connected to the economic-financial crisis

The economic scenario, the trends in financial markets, the outlook on stability and the economic growth of the country where BNL operates all impact the earning capacity and the solvency of BNL and its creditworthiness.

Factors such as investors' expectations and trust, the levels and the implied volatility of short and long-term interest rates, exchange rates, liquidity of the financial markets, the availability and cost of capital, sustainability of sovereign debt, household incomes and consumer spending, unemployment levels, inflation and housing costs, are of paramount importance.

Accordingly, during periods of economic and financial distress, such elements may have a detrimental impact by amplifying the risk factors described below, and may trigger financial losses, an increase in borrowing costs, and a decrease in value of BNL’s assets, with a potential negative impact on BNL's liquidity and on its financial stability.

Risk connected to the loss for the year 2014

In the year ended as of 31 December 2014, BNL recorded a loss for the year of 111 million euro at a consolidated level and 126 million euro at the level of the parent company (BNL). However, this is not expected to change the bank's ability to meet its obligations. The loss was linked to the continuing consequences of the economic crisis which, combined with the extraordinary negative impact of the application of several new accounting standards and the (non-recurring) increase in restructuring costs, contributed to the downturn in the gross operating result and the growth in the cost of risk.

Despite this, capital ratios have improved on the previous year, as a result of the mitigation actions implemented on the most significant risk components (credit risk, in particular), and are higher than those required by BNL's supervisory authorities.

Credit risk

BNL is exposed to the same credit risks as in traditional lending activities. Accordingly, while the BNL's credit policies comply with the principles and methodologies set forth at a supranational level and in European and Italian supervisory regulations on capital adequacy, they aim to efficiently select lending customers in order to reduce the risk of insolvency, diversify portfolios and monitor developments and trends in accounts and transactions, through careful monitoring and oversight of the risk profile. Should customers breach contracts or be unable to honour their

obligations, fail to provide or provide incorrect information on their financial and credit positions, this may trigger negative effects on BNL's economic, capital and/or financial conditions. For further information about capital ratios and credit ratios please see the tables referred to in the paragraph entitled "Selected financial information" in the section of the Base Prospectus entitled "Description of Banca Nazionale Del Lavoro S.P.A.".

Generally speaking, counterparts might not fulfil their obligations to BNL due to a default event, lack of liquidity, operational malfunctioning or other reasons. The default of a relevant market operator or even the fears of non-fulfilment of its obligations, could cause considerable liquidity problems, losses or defaults of other institutions, which may in turn adversely affect BNL. Moreover, in certain circumstances, BNL could face the risk that receivables from third parties cannot be collected. A downgrading in the credit ratings of third parties whose securities and debt securities are held by BNL may result in a loss and/or negatively affect BNL's ability to re-use such securities and debt securities for the purpose of increasing the level of liquidity or use them in a different manner. Hence, a significant decrease in the credit ratings of BNL's counterparties could cause BNL's results to adversely differ from those anticipated. While in many cases BNL may require further guarantees from counterparts that are facing financial distress, complaints may be filed concerning the amount of guarantees BNL has the right to obtain and the value of the assets involved in such guarantees. Counterparts' default rates, downgrades and complaints about the valuation of the guarantee significantly increase during periods of economic stress and market illiquidity.

The risk described up to this point also applies to counterparties that are "central and local governments", for BNL these are exclusively national, whose quantitative information is shown in Table 2.1 and Table 2.2 of paragraph 3.2 of "*Selected Financial Information*" below, to which reference is made.

In 2014 BNL participated in the so-called Asset Quality Review (AQR). This review was conducted at the level of the parent company BNP Paribas by the Joint Supervisory Team, composed of staff from the Bank of Italy and the European Central Bank (ECB), in three areas: (a) a credit file review (CFR); (b) projection of findings (PF); and (c) collective provision analysis.

This review of the credit portfolio of the BNL Group did not result in any significant corrections.

Specifically, the credit file review (CFR) highlighted a need for a small amount of additional provisions, primarily relating to events arising following the end of the year 2013. The projection of findings (PF) of these results on the entire credit portfolio selected for the AQR resulted in the indication of additional value adjustments of insignificant amounts. Therefore, it was possible to allocate specific provisions on loans in line with the requests of the supervisory authorities through the ordinary valuation process during 2014.

The third area of analysis, on collective provisions, confirmed the adequacy of provisions and the calculation model used by the parent company BNL. Despite the fact that the method applied by the BNL Group (equivalent to that of the BNPP Group) focused on the concept of incurred loss, the prudential margins considered in the model resulted in the achievement of levels of collective provisions in line with the model set out by the ECB (the challenger model).

Risk connected to the deterioration of credit quality

BNL is also exposed to the risk of deterioration of credit quality, which is technically a natural effect of "credit risk", pursuant to the previous section of this document. Therefore, this risk is managed as part of credit risk monitoring policies.

In light of the economic context, in 2014, BNL, as well as the remainder of the banking system, saw its main risk ratios deteriorate in relation to the average values expressed by the banking system for “Large Banks”, which represent 22 per cent. of the total system. Specifically, as of 31 December 2014 the gross doubtful loans/gross loans to customers ratio amounted to 10.5 per cent. (compared to the system average of 8.3 per cent. in 2014) and the gross impaired loans/gross loans to customers ratio came to 18 per cent. (compared to the system average of 15.8 per cent. in 2014). However, BNL's coverage ratio for those items is higher than the average system figure for 2014. For more information on BNL's credit quality, refer to paragraph 3.2 of “*Selected Financial Information*” below.

Lastly, in the previous year, BNL made no provisions in extraordinary amounts and the Asset Quality Review conducted by the European Central Bank had no negative effects, as BNL was among the banks least affected in the system.

Operational risk

BNL is exposed to the operational risk in the same way as any other banking institution. Operational risk is the risk of losses a company undertakes when it attempts to conduct its business, resulting from breakdowns in internal procedures or deliberate, unintentional or natural external events which, though posted in the year they occur, by nature also produce economic effects at later times.

To this end, the purpose of the Compliance Function of BNL, as part of its ongoing mission, is to ensure the supervision of the operational risk management system, by providing methodological support to the individual company departments, monitoring the level of implementation of risk mitigation actions and ensuring the coordination of the permanent control activities.

In June 2011, the ACPR (Autorité de Contrôle Prudentiel et de Résolution) authorised BNP Paribas to also allow BNL to calculate the required capital for operational risk using its empirical approach, the "Advanced Measurement Approach" (AMA), from 1 July 2011. Using the AMA, BNL may quantify the required capital for operational risk using its empirical approach, plus an "add-on" factor of 50% of the capital absorption capacity, to be calculated based on the internal model and to be applied until the interventions required by the Bank of Italy as part of the assessments falling under its responsibility were completed. These actions were completed during 2012. In April 2013, following the parent company BNP Paribas' request to abolish the "add-on", the Bank of Italy initiated a mission to monitor the effectiveness of the operational aspects of the AMA framework as well as to perform benchmark checks to assess the ability of the internal model to capture BNL's historical and forecasted exposure to operational risks. The outcome of the Bank of Italy's mission showed some areas to be improved, for which BNP Paribas has defined an action plan to be implemented, which it communicated to the local regulator and the ACPR. At the date of this document the actions have been concluded and the aforementioned "add-on" is still being applied.

Liquidity risk relating to BNL

Liquidity risk is the potential inability of BNL to meet its contractual obligations as they become due.

As BNL conducts its business operations within an international group of primary standing and has set up policies and procedures to manage liquidity risk, BNL's liquidity could be adversely affected by the inability to enter the capital markets by issuing debt securities (secured and non-secured), or to sell specific assets or to redeem its own investments, and by unexpected cash outflows or the duty to provide further guarantees.

BNL recently set up a system of policies, in line with the supervisory regulations, to prevent and manage liquidity risk, which include a contingency funding plan to manage possible liquidity crises.

Market risk

Market risk is the risk that the value of financial instruments held by BNL will be adversely affected by changes in market factors (including, without limitation, interest rates, securities prices or exchange rates) which may result in deterioration of BNL's capital soundness. In these terms market risk applies, inter alia, to the small portfolio of debt securities issued by central and local governments and public entities.

BNL, whose financial assets are rather limited and which has set up specific policies and procedures aimed at reducing market risk that apply the same measurement and control model as the VaR-based internal model adopted by BNP Paribas, is thus exposed to potential changes in the value of the financial instruments, due to the volatility of interest, exchange and currency rates, share and commodity prices and credit spreads, and/or other risk factors. Such fluctuations may arise from factors such as changes in the general economic situation, investors' appetite for investing, monetary and fiscal policies, global market liquidity, availability and cost of capital, interventions by rating agencies, local and international political events, armed conflicts and terrorist attacks.

Risks relating to legal, administrative proceedings and actions of the supervisory authorities

In the ordinary course of business, BNL and several of its subsidiaries are involved in various legal civil proceedings (including proceedings concerning the capitalization of interest, derivatives and bonds) and administrative proceedings, with consequent exposure to the risk of sanctions against and/or compensation due from the BNL Group.

As part of that business, some of BNL’s directors, auditors and management are currently involved in administrative and legal proceedings, also concerning the administrative liability of entities pursuant to Italian Legislative Decree 231/2001. However, these proceedings are not deemed to have significant repercussions on BNL’s financial situation or profitability.

The BNL Group posts an accrued liability for litigation matters in its balance sheet when these matters present contingent losses that may arise from pending proceedings, also taking into account the evaluation by any outside counsel handling the matter. As of 31 December 2014, the accrued liability amounted to 261,719 thousand euro.

For further information please see paragraph entitled “Legal Proceedings” in the section of the Base Prospectus entitled "Description of Banca Nazionale Del Lavoro S.P.A.".

Risks connected to developments in the regulations on the banking sector and changes in regulations relating to bank crisis resolution

During 2014 provisions aimed at overhauling the regulation and supervision system of the banking industry following the economic and financial crises of the last few years were gradually applied. Specifically, the European Union has revised the structure of supervision activity (rules, control systems and institutions), substantially amending its geographic scope (coexistence of national and supranational authorities, such as the European Central Bank and the European Banking Authority (EBA)), objectives, rules and controls, as part of a single rulebook containing the prudential rules applicable to all European intermediaries.

“Basel 3” was implemented through the issue of EU Regulation no. 575/2013 of 26 June 2013 (CRR) and Directive 2013/36/EU of 26 June 2013 (CRD IV), which endorse the rules defined by the Basel Committee (Basel III) aimed at harmonising or standardising several specific aspects of supervision activity, mainly for the purpose of significantly strengthening the minimum capital requirements, containing leverage and introducing quantitative policies and rules to attenuate liquidity risk of banks, and, following the preliminary Comprehensive Assessment conducted by the ECB in autumn 2014, the launch of the Single Supervisory Mechanism. This Mechanism assigned the ECB the task of directly exercising, in cooperation with national authorities, the main supervisory functions over the largest banks (130 European groups, including BNP Paribas, which BNL is a part of).

Regulatory provisions relating to own funds envisage the gradual introduction of the new regulatory framework, through a phase-in, generally lasting until 2017, during which several elements that will be eligible for full inclusion as or deduction from Common Equity when the framework is fully effective, will only have a partial percentage impact on Common Equity Tier 1 capital. Generally, this will be the residual percentage, after the applicable portion, is included in/deducted from Additional Tier 1 capital (AT1) or Tier 2 capital (T2) or considered among risk-weighted assets.

Own Funds (or Regulatory Capital) are the algebraic sum of the elements indicated below:

- Tier 1 capital (capable of absorbing losses under going concern conditions). This capital is divided into Common Equity Tier 1 (CET1) and Additional Tier 1;
- Tier 2 capital (capable of absorbing losses in the event of crises).

When the framework is fully effective, the elements indicated above will be subject to the following limits:

- Common Equity Tier 1 (CET1) must at all times be equal to at least 4.5 per cent. of risk-weighted assets;
- Tier 1 must at all times be equal to at least 6 per cent. of risk-weighted assets;
- Own Funds, equal to Tier 1 plus Tier 2 capital, must at all times be equal to at least 8 per cent. of risk weighted assets.

Also, in addition to top-quality capital needed to meet the Own Funds requirements, banks are required to maintain a capital retention reserve amounting to 2.5 per cent. of the bank's total risk exposure.

Overall, the minimum capital requirements required from 1 January 2014, including the above-mentioned capital retention reserve, amount to 7 per cent. for CET1, 8.5 per cent. for Tier 1 and 10.5 per cent. for Own Funds (Total Capital).

Basel 3 regulations also introduced a leverage ratio aimed at establishing a prudent measure in addition to the capital requirements. This ratio pursues the objectives set by the Basel Committee of containing the accumulation of leverage in the banking sector, as excess leverage could harm the financial and economic system as a whole, and to strengthen capital requirements by adding a simple additional measure that is not based on risk assessment.

The implementation of the leverage ratio requirements began on 1 January 2013 with banks reporting to the national supervisory authorities the ratio and its components. The related information, published on 1 January 2015, will be constantly monitored by the supervisory authorities. The definitive calibration, and any additional adjustments to the definition of the ratio

will be completed by 2017, for the purpose of transforming the ratio into a minimum requirement under the First Pillar in January 2018.

With regard to liquidity, the Basel 3 accords envisage, inter alia, the introduction of a short-term ratio (Liquidity Coverage Ratio, or LCR), for the purpose of establishing and maintaining a liquidity buffer to ensure the bank's survival for a time period of thirty days in the event of serious stress, and a structural liquidity ratio (Net Stable Funding Ratio, or NSFR) with a time horizon of more than one year, introduced to guarantee a sustainable maturity structure for assets and liabilities.

With regard to the liquidity ratios, investors should note that:

- for the LCR, a minimum value of 60 per cent. is envisaged starting from 1 October 2015, with the minimum steadily increasing to 100 per cent. from 1 January 2018, in accordance with EU regulations;

- the NSFR, which is still subject to a period of observation, will come into force starting from 1 January 2018.

The Single Supervisory Mechanism is being gradually accompanied by a centralised system for resolving bank crises, which is focused on harmonising national regimes to assist banks in difficulty (Recovery and Resolution Directive – RRD) and the reform of the deposit guarantee system regulations (Deposit Guarantee Scheme Directive – DGSD). The implementation of these directives in national law will introduce new and far-reaching crisis management tools, which can be activated not only for an entity showing signs of instability, but also during the ordinary operations of the intermediary and upon the first signs of an emerging crisis.

In the event of substantial non-compliance, together these regulatory devices could lead to sanctions and enforcement measures for BNL, and, in particular, in cases of insolvency, to a "self-rescue" mechanism by the same banks, which avoids the use of public funds (bail-out) through a system where losses are transferred to shareholders, the holders of junior debt, the holders of senior unsecured debt securities and the portion exceeding the guaranteed amount, i.e. over 100,000.00 euro (bail-in) to depositors.

Moreover, where the criteria are met, the authorities may require the use of the Single Resolution Fund pursuant to Regulation (EU) no. 806/2014 of the European Parliament and Council, financed through contribution paid by banks at national level.

The Directive entered into force on 1 January 2015, with the exception of the provisions regarding the bail-in tool, for which Member States may postpone the effective date to 1 January 2016, at the latest, even though the related provisions may be applied to financial instruments already issued, provided they are issued by said deadline. Also note that the process of implementing the Directive at national level is still under way.

Given the above, in relation to the implementation of the Basel III regulatory system into Italian law, which is still underway, at the date of this document some uncertainties still exist concerning the impact generated by adapting to the new rules on the Bank’s economic-equity and financial situation, which the Bank constantly monitors.

Risk relating to the possible downgrading of the rating assigned to BNL

The rating is an assessment of BNL's ability to fulfil its financial obligations, including those relating to the Securities which it guarantees.

Any downgrading of BNL's rating could be a sign of a decreased ability to fulfil its financial obligations as compared to the past.

The fact that BNL belongs to the BNP Paribas Group influences the rating assigned to it. Therefore, any actual or expected downgrading of the ratings assigned to the BNP Paribas Group could result in a downgrading of the BNL's rating. In addition, any downgrading of the rating assigned to the Republic of Italy could negatively influence BNL's rating.

E. Potential conflicts of interest in respect of Securities guaranteed by BNPP

The Calculation Agent may be an affiliate of the Guarantor (where BNPP is Guarantor) and consequently, potential conflicts of interest may exist between the Calculation Agent and Holders of 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 in this Base Prospectus) has occurred. The Calculation Agent is generally obliged to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment, subject to the Conditions of the Securities,

F. Risks relating to Securities

General

Limitations on recourse and rights with respect to underlyings

The Securities involve a high degree of risk, including price risk associated with the Underlying Reference (as defined below) and among other things, interest rate, foreign exchange, inflation, correlation, time value and political risks. Holders of Securities should recognise that their Securities may expire worthless or be redeemed for no value. Holders of Securities should be prepared to sustain a total loss of the purchase price of their Securities. Prospective Holders of Securities should be experienced with respect to options and swaps and option and swap 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, in particular where, in relation to Notes ("**Underlying Reference Linked Notes**"), or Certificates ("**Underlying Reference Linked Certificates**") the interest and/or redemption amount of which or, in relation to Warrants ("**Underlying Reference Linked Warrants**" and, together with Underlying Reference Linked Notes and Underlying Reference Linked Certificates, "**Underlying Reference Linked Securities**"), the settlement amount of which is linked to the value of one or more index, share, debt security, inflation index, commodity, unit, interest or share in a fund, the credit of one or more reference entity, interests in exchange traded funds, exchange traded notes, exchange traded commodities or other exchange traded products (each, an "**exchange traded instrument**") or the combination of any of the foregoing or such other underlying or basis of reference (each an "**Underlying Reference**").

The exposure to the Underlying Reference in many cases will be achieved by the Issuer entering into swap agreements (with BNP Paribas or BNP Paribas Fortis SA/NV) and/or deposit agreements and/or repurchase agreements. Holders of Securities should be aware that, under the terms of Underlying Reference Linked Securities, they are exposed to the performance of these agreements and that certain events may affect these agreements and consequently the value of the Securities.

In addition to the factors set out in this section *"B. Risks Relating to Securities"*, Holders of Securities should be aware that the ability of the Issuer to meet its obligations under the relevant Securities issued by it may depend on the receipt by it of payments from the Compartment Assets it purchases (if any) with the proceeds of the issue of each Series of Securities and/or on the receipt by it of payments under relevant swap agreements, which will be with BNP Paribas or BNP Paribas Fortis SA/NV, deposit agreements or repurchase agreements notwithstanding the performance of any relevant Underlying Reference. The Holders of Securities are therefore exposed to the risk that the Issuer will not have sufficient funds available to it to make payments owed under, or due in respect of, the Securities. See section *"A. Risks relating to the Issuer"* above for further details of such risks.

The risk of the loss of some or all of the purchase price of a Security upon 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 any relevant Underlying Reference. Assuming all other factors are held constant, the lower the value of a Security, the shorter the remaining term of a Warrant to expiration or a Certificate or Note to redemption, the greater the risk that purchasers of such Securities will lose all or part of their investment. With respect to Notes, Certificates and or European-style Warrants, the only means through which a Holder of Security can realise value from the Note, Warrant or Certificate, as the case may be, prior to its Maturity Date, Settlement 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.

The Issuer may issue several issues of Securities relating to various Underlying References. However, no assurance can be given that the 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 Securities are similar to those generally applicable to other debt instruments, options or warrants as applicable 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 of Securities 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 any Underlying Reference and such entities have no obligation to take into account the consequences of their actions on any Holders of Securities.

Risks associated with product structure

Once the proceeds of the issue of the Securities have been invested in the Charged Assets with respect to a particular Compartment, such Charged Assets (including, without limitation, assets such as hedging agreements, deposits, repurchase agreements and debt securities) will constitute

the only source of funds available to the Issuer for the satisfaction of its pre-enforcement obligations under the relevant Securities and the relevant Related Agreements (if any). Accordingly, if such Charged Assets do not generate sufficient cashflows, either (dependent on the terms applicable to the relevant Securities):

- an Early Redemption Event under the relevant Notes or Certificates or an Early Termination Event under the relevant Warrants may occur, which, in turn, may lead to the realisation of the Charged Assets by the Disposal Agent; or

- an Event of Default may occur under the relevant Securities, which, in turn, may lead to the enforcement and liquidation of the relevant Charged Assets by the Trustee (or its appointee under the Trust Deed).

The Trustee is not obliged to take any action unless it has been indemnified and/or secured to its satisfaction against any liability it may incur. The proceeds of any such enforcement and liquidation, or realisation, as the case may be, (net of any costs, including the costs of enforcement and liquidation) may not be sufficient to meet the claims of the Secured Parties (including the relevant Holders of Securities) with respect to the relevant Compartment. As more fully described below, save in the case of Guaranteed Securities, claims against the Issuer by the Holders of Securities of a particular Series and each other Secured Party in respect of any Compartment will be limited to the relevant Charged Assets.

In addition, the Issuer may issue Securities the redemption amount or settlement amount (as the case may be) of which is limited to the liquidation proceeds of the Charged Assets of the Compartment relating to such Securities. The proceeds of any such liquidation (net of any costs, including the costs of liquidation) may not be sufficient to meet the claims of the Secured Parties (including the relevant Holders of Securities) with respect to the relevant Compartment.

Accrued but unpaid amounts

Investors should be aware that they may lose the value of their entire investment (together with, in addition to such investment, any amounts which may have accrued on such investment but which have not been paid, if applicable) or part of it, as the case may be, and/or, if the investor's liability is not limited to the value of his investment (such as where the investor may lose, in addition to such investment, any amounts which may have accrued on such investment but which have not been paid, if applicable). The circumstances in which such liability may arise (and the likely financial effects thereof) will depend on the specific terms of a particular issue of Securities, as set out in the Conditions and applicable Final Terms.

Securities subject to optional redemption, cancellation or early exercise by the Issuer

An optional redemption, cancellation or early exercise feature of Securities, as applicable, is likely to limit their market value. During any period when the Issuer may elect to redeem Notes or Certificates, cancel Warrants or in which Warrants are subject to early exercise, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed, settled or exercised early (as the case may be). This also may be true prior to any redemption, cancellation or early exercise period.

When Notes are redeemed, prior to their stated Maturity Date, Warrants are cancelled prior to their stated Expiration Date or subject to early exercise or Certificates are redeemed prior to their stated Redemption Date, as the case may be, an investor may not be able to reinvest the proceeds from such redemption, cancellation or early exercise, as the case may be, on equivalent terms. Potential investors should consider reinvestment risk in light of other investments available at that time.

Potential Conflicts of Interest

Certain entities within the BNPP Group (including, if applicable, any Dealer) may also engage in trading activities (including hedging activities) relating to the Underlying Reference and other instruments or derivative products based on or relating to the Underlying Reference of any Securities for their proprietary accounts or for other accounts under their management. BNP Paribas and its affiliates (including BNL and, if applicable, any Dealer) may also issue other derivative instruments in respect of the Underlying Reference. BNP Paribas and its affiliates (including BNL and, if applicable, any Dealer) 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 BNP Paribas and its affiliates (including BNL and, if applicable, any Dealer) 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 and/or calculation agent. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.

In respect of ETI Linked Securities and Fund Linked Securities, BNP Paribas and its affiliates (including BNL and, if applicable, any Dealer) 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 BNP Paribas and its affiliates (including BNL and, if applicable, any Dealer) for the provision of such services. In the course of this business, BNP Paribas and its affiliates (including BNL and, if applicable, any Dealer) 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 BNP Paribas and its affiliates (including BNL and, if applicable, any Dealer) 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 Linked Securities or Fund Linked Securities, as applicable.

The Calculation Agent may be the Swap Counterparty or an affiliate of the Swap Counterparty and consequently, potential conflicts of interest may exist between the Calculation Agent and the relevant Holders of 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, an Index Adjustment Event or Credit Event (each as defined in the Conditions) has occurred. Generally, the Calculation Agent is obliged to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment, subject to the applicable Conditions. Furthermore, the Calculation Agent will not act as a fiduciary or as an advisor to the relevant Holders of Securities in respect of its duties as Calculation Agent.

Swap Counterparty as Instructing Party

Where "Swap Counterparty Priority" is stated as being applicable in the applicable Final Terms, the Swap Counterparty will (unless it is the Defaulting Party under, and as defined in, the relevant Swap Agreement) be the Instructing Party, and will have certain rights to direct the Trustee on certain matters, including the ability to instruct the Trustee to enforce the Security in certain circumstances, notwithstanding that the relevant Holders of Securities have not voted in respect of such matters. In these circumstances, there can be no assurance that the Swap Counterparty will act in the interests of such Holders of Securities. The Swap Counterparty has no obligation or

liability to, and shall not be obliged to have regard to the interests of, the Holders of Securities in relation to any such directions.

Modification

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

Trustee and enforcement

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Parties (including Holders of Securities). The Trustee is not obliged to take any such action without first being indemnified and/or secured to its satisfaction. The Trustee is not responsible for ensuring that the Issuer's obligations (or the security interest created by the Issuer) are valid and enforceable.

Change in law

The conditions of the Securities are based on relevant laws 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 such laws or administrative practices after the date of this Base Prospectus and any such change could materially adversely impact the value of any Securities affected by it.

Transfer restrictions

The Securities may be subject to certain transfer restrictions. Such restrictions on transfer may limit the liquidity of such Securities. Consequently, a purchaser must be prepared to hold such Securities for an indefinite period of time and potentially until their maturity or expiration, as applicable.

Securities issued linked to certain events

The interest rate or redemption amount of certain Notes or Certificates, as the case may be, or the settlement amount or Entitlement of certain Warrants may be linked to the occurrence or non-occurrence of certain events which are not connected with the Issuer or any Guarantor (if applicable) such as credit, price levels or index levels. The occurrence of such events is beyond the control of the Issuer and the Guarantor (if applicable), and Holders of Securities are exposed to the risk of such event occurring or not, as the case may be.

Risks relating to deposits

In respect of certain Series of Securities, the Issuer may deposit some or all of the proceeds of the issue of the Securities in a bank account pursuant to a deposit agreement entered into between the Issuer and a European bank or other financial institution with securities admitted to trading on a regulated market (as specified in the applicable Final Terms) (the "**Deposit Counterparty**"). In such circumstances, the Issuer will be dependent in whole or in part on receipt of payments from the Deposit Counterparty in order to meet its obligations under such Securities. Consequently, the Issuer will rely on the full and timely performance by the Deposit Counterparty of its obligations under the relevant deposit agreement, and will be exposed to the creditworthiness of such Deposit Counterparty.

Ranking and Guarantee of Securities

The Securities are unsubordinated obligations of the Issuer and will rank *pari passu* with themselves. Each issue of Securities issued by the Issuer may or may not be guaranteed.

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. Also, to the extent the relevant Securities of a particular issue are exercised, redeemed or cancelled (as the case may be), 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. A lack of liquidity for the Securities may mean that investors are not able to sell their Securities or may not be able to sell their Securities at a price which they paid for them and consequently investors may suffer a partial or total loss of the amount of their investment.

The Issuer and any Dealer 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 Dealer 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 Dealer is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. In addition, affiliates of any Guarantor (if applicable) (including the relevant Dealer as referred to above) may purchase Securities at the time of their initial distribution and from time to time thereafter. 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 hold such Securities until maturity (in the case of Notes or Certificates, as the case may be) or exercise such Securities (in the case of Warrants), as applicable, to realise greater value than their then trading value.

Before selling Securities, Holders of Securities 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 Warrants or Cash Settled Certificates, the probable range of Cash Settlement Amounts or Final Redemption Amounts (as applicable), (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.

Minimum Trading Amount

Investors should note that the Securities may have a minimum trading amount. The minimum trading amount (if any) will be specified in the applicable Final Terms. In such cases, if, following the transfer of any Securities, the relevant Holder of Securities holds fewer Warrants or Certificates or a lesser principal amount of Notes (as applicable) than the specified minimum trading amount, such Holder of Securities will not be permitted to transfer their remaining Securities prior to expiration or maturity (as the case may be), without first purchasing enough additional Securities in order to hold the minimum trading amount.

Redemption or Cancellation of Securities (as applicable) in the Event of Illegality or Impracticability

If the Issuer determines that the performance of its obligations under the relevant Securities has become illegal or impracticable in whole or in part for any reason, the Issuer may redeem Notes or

Certificates or cancel Warrants (as applicable) by paying to each Holder of Securities the aggregate fair market value of such Securities less the cost to the Swap Counterparty and/or its affiliates of unwinding any underlying related hedging arrangements, unless such unwind costs are specified as not applicable in the applicable Final Terms. Such cancellation may result in an investor not realising a return on an investment in such Securities.

Post-issuance Information

Applicable Final Terms may specify that the 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 Issuer.

The rate of interest or premium amount rate payable on the Securities or the amount payable or deliverable on redemption or exercise of the Securities may in certain circumstances be changed during the life of the Securities

If Coupon Switch Election or Automatic Coupon Switch is specified in the applicable Final Terms, the rate of interest or premium amount payable may be switched from one rate or amount to another if an equivalent election is made by the Swap Counterparty under the Swap Agreement (in the case of Coupon Switch Election) or following the occurrence of an Automatic Coupon Switch Event (in the case of an Automatic Coupon Switch). If Payout Switch Election or Automatic Payout Switch is specified in the applicable Final Terms, the amount payable or deliverable on redemption or exercise may be switched from one amount payable or deliverable to another if an equivalent election is made by the Swap Counterparty under the Swap Agreement (in the case of Payout Switch Election) or following the occurrence of an Automatic Payout Switch Event (in the case of an Automatic Payout Switch). As a consequence of the exercise of a Coupon Switch Election or Payout Switch Election or the occurrence of an Automatic Coupon Switch Event or Automatic Payout Switch Event, the Underlying Reference may be changed. As the payout on such Securities may be switched during the life of the Securities investors may receive a return which differs from that which they expected to receive.

Certain specific information may not be known at the beginning of an offer period

In certain circumstances at the commencement of an offer period in respect of Securities but prior to the issue date of such Securities certain specific information (specifically the fixed rate of interest, minimum and/or maximum rate of interest payable, the margin applied to the floating rate of interest payable, the Gearing applied to the interest or final payout, the Gearing Up applied to the final payout, (in the case of Autocall Securities, Autocall One Touch Securities or Autocall Standard Securities) the FR Rate component of the final payout (which will be payable if certain conditions are met, as set out in the Payout Conditions), the AER Exit Rate used if an Automatic Early Redemption Event occurs, the Bonus Coupon component of the final payout (in the case of Vanilla Digital Securities), the Up Cap Percentage component of the final payout (in the case of Certi plus: Generic Securities, Certi plus: Generic Knock-in Securities and Certi plus: Generic Knock-out Securities), any Constant Percentage (being any of Constant Percentage, Constant Percentage 1, Constant Percentage 2, Constant Percentage 3 or Constant Percentage 4) component of the final payout (which will be payable if certain conditions are met, as set out in the Payout Conditions) and/or the Knock-in Level and/or Knock-out Level used to ascertain whether a Knock-in Event or Knock-out Event, as applicable, has occurred) may not be known. In these circumstances the Final Terms will specify in place of the relevant rate, level or percentage, as applicable, an indicative range of rates, levels or percentages. The actual rate, level or percentage, as applicable, applicable to the Securities will be selected by the Issuer from within the range and will be notified to investors prior to the Issue Date. The actual rate, level or percentage, as

applicable, will be determined in accordance with market conditions by the Issuer in good faith and in a commercially reasonable manner.

Prospective purchasers of Securities will be required to make their investment decision based on the indicative range rather than the actual rate, level or percentage, as applicable, which will only be fixed after the investment decision is made but will apply to the Securities once issued.

Where an indicative range is specified in the Final Terms in respect of the Rate of Interest, Minimum Rate of Interest, Maximum Rate of Interest, Margin, FR Rate and/or AER Exit Rate, prospective purchasers of Securities should, for the purposes of evaluating the risks and benefits of an investment in the Securities, assume that the actual Rate of Interest, Minimum Rate of Interest, Maximum Rate of Interest, Margin and/or FR Rate, as applicable, which will apply to the Securities will be the lowest rate specified in the range and make their decision to invest in the Securities on that basis.

Where an indicative range is specified in the Final Terms in respect of Gearing, Gearing Up, Bonus Coupon, Up Cap Percentage, any Constant Percentage, Knock-in Level and/or Knock-out Level, prospective purchasers of Securities should be aware that the actual rate, level or percentage, as applicable, selected from within the indicative range specified for Gearing, Gearing Up, Bonus Coupon, Up Cap Percentage, any Constant Percentage, Knock-in Level and/or Knock-out Level, as applicable, in respect of any Securities may have a negative impact on the interest payable and/or final return on the Securities when compared with another rate, level or percentage, as applicable, within the indicative range.

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 Security. Prospective investors may also wish to seek an independent valuation of a Security prior to its purchase.

The Final Redemption Amount or Cash Settlement Amount, as applicable, or the physical delivery of the Entitlement may be less than the value of an investment in the Security

Each Holder of the Securities 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 of the Securities' investment in the relevant Securities. In certain circumstances Holders of the Securities may lose the entire value of their investment.

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 Holder of the

Securities to use Securities for hedging may be restricted by the provisions of the U.S. Securities Act of 1933, as amended, and regulations issued thereunder.

Credit Ratings may not reflect all Risks

One or more independent credit rating agencies may assign credit ratings to 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 the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

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.

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 any Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of such entity (if applicable) by standard statistical rating services, such as Moody's Investors Service Ltd. Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. and Fitch Ratings Ltd. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer and/or any Guarantor by one of these rating agencies could result in a reduction in the trading value of the Securities.

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.

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 leverage is negative, the maximum loss for investors will be the amount of their initial investment in the Securities. If the relevant Securities include leverage, potential Holder of the 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.

Market and Other Risks

Risks related to the market generally

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

The secondary market generally

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

adverse effect on the market value of Securities. The provision of a secondary market by any market participant may not alleviate these risks.

Exchange rate risks and exchange controls

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive, in the case of Notes, less interest or principal than expected, or no interest or principal or, in the case of Warrants, a lower cash settlement amount than expected, or no cash settlement amount at all or, in the case of Certificates, less interest, a lower instalment amount or a lower cash settlement amount than expected, or no interest, instalment amount or cash settlement amount at all.

Investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal, tax, accountancy and other advisers to determine whether and to what extent (i) it is permitted by law and regulation to invest in Securities, (ii) Securities may be used as collateral for various types of borrowing, and (iii) other restrictions, including but not limited to accountancy, solvency and liquidity, apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Risks related to the structure of a particular issue of Securities

Risks relating to Underlying Reference Linked Securities

Investments in Underlying Reference Linked Securities entail significant risks and may not be appropriate for investors lacking financial expertise. Prospective investors should consult their own financial, tax and legal advisors as to the risks entailed by an investment in such Securities and the suitability of such Securities in light of their particular circumstances and ensure that their acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of their incorporation and/or in which they operate, and is a suitable investment for them to make. The Issuer believes that such Securities should only be purchased by investors that are in a position to understand the special risks that an investment in these instruments involves, in particular relating to options and derivatives and related transactions, and should be prepared to sustain a total loss of the purchase price of their Securities.

Underlying Reference Linked Securities are securities which do not provide for predetermined redemption amounts and/or interest payments (in the case of Notes) or settlement amounts or Entitlement (in the case of Warrants) or settlement amounts or Entitlement and/or instalment amounts or interest payable, as applicable, (in the case of Certificates) but amounts payable (whether in respect of principal, interest, and or instalment amounts, and or settlement, as the case may be) or deliverable will be dependent upon the performance of the Underlying References (subject to the terms of any formula for determining the applicable Final Redemption Amount, interest/premium amounts, Cash Settlement Amount or Entitlement, in accordance with the Conditions) which themselves may contain substantial credit, equity, funds, correlation, volatility, commodity interest rate, foreign exchange, time value, political and/or other risks.

An investment in Underlying Reference Linked Securities therefore entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

(i) the Underlying Reference may be subject to significant changes, whether due to the composition of any such Underlying Reference itself, or because of fluctuations in value of the Underlying Reference;

(ii) the resulting returns or interest rate (where applicable) will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time;

(iii) the holder of an Underlying Reference Linked Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest, or any other return on principal, may cease to be payable on such Note;

(iv) any Underlying Reference Linked Warrants held by the relevant Warrantholder may expire worthless or amounts payable on settlement (whether on the cash settlement date or upon earlier cancellation) may be significantly less than the purchase price paid by such Warrantholder;

(v) any Underlying Reference Linked Certificates held by the relevant Certificateholder may be worthless upon redemption or amounts payable on redemption (whether on maturity or upon earlier repayment) may be significantly less than the purchase price paid by such Certificateholder and any interest or instalment amounts (as applicable) may cease to be payable on such Certificate;

(vi) any Security that is linked to more than one type of Underlying Reference, or to formulae that encompass the risks associated with more than one type of Underlying Reference, may carry levels of risk that are greater than Securities that are linked to one type of Underlying Reference only;

(vii) it may not be possible for investors to hedge their exposure to these various risks relating to Underlying Reference Linked Securities;

(viii) a significant market disruption could mean that any Underlying Reference ceases to exist;

(ix) each Holder of Securities may receive an amount on redemption, settlement or cancellation (as the case may be) and/or physical delivery of securities together with cash for rounding in respect of any Underlying Reference Linked Notes or Underlying Reference Linked Certificates, as the case may be, and the amount payable on redemption, settlement or cancellation (as the case may be) and/or the aggregate value of securities physically delivered and cash may be significantly less than the value of the

relevant Holder of Securities' investment in such Securities or the amount of such investment; and

(x) in the case of any Securities exposed to the performance of a basket of Underlying References, the assets so delivered under the terms of such Securities may relate to, or the Final Redemption Amount, Cash Settlement Amount or interest/premium amount (as the case may be) may be calculated by reference to, the worst performing Underlying Reference or any other formula specified as being applicable in the applicable Final Terms.

In addition, the value of Underlying Reference Linked Securities on the secondary market is subject to greater levels of risk than is the value of other Securities and the market price of such Securities may be very volatile or there may even be no (or a very limited) secondary market. The secondary market, if any, for Underlying Reference Linked Securities will be affected by a number of factors, independent of the creditworthiness of the Issuer and/or any Guarantor (if applicable), including (but not limited to) the creditworthiness of any reference entity, the value of the applicable Underlying Reference, the volatility of the Underlying Reference, the time remaining to the maturity, in the case of Notes and Certificates or the expiry, in the case of Warrants, the amount outstanding (in the case of Notes and Certificates) and market interest rates. The value of the applicable Underlying Reference depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, if the formula used in the payout to determine the amount of principal, premium, instalment amounts, interest, settlement amount or Entitlement payable or deliverable, as applicable, with respect to Underlying Reference Linked Notes and Underlying Reference Linked Certificates, or the settlement amount or Entitlement with respect to Underlying Reference Linked Warrants contains a weighting or leverage factor, the effect of any change in the Underlying Reference will be increased. The historical experience of the Underlying Reference should not be taken as an indication of future performance of such Underlying Reference during the term of any such Security.

Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Underlying Reference Linked Securities.

None of the Issuer, BNP Paribas, the Trustee, the Dealer, BNL or their respective affiliates provide any advice with respect to any Underlying Reference nor make any representation as to its quality, credit or otherwise, and investors in the relevant Securities must rely on their own sources of analysis, including credit analysis with respect to any Underlying Reference.

The risks reflect the nature of such a Security as an asset which may become worthless when redeemed (in the case of Notes and Certificates) or during the exercise period or on the Expiration Date (in the case of Warrants). The risk of the loss of some or all of the purchase price of an Underlying Reference Linked Note upon redemption or the risk of an Underlying Reference Linked Warrant or an Underlying Reference Linked Certificate, as the case may be, becoming or expiring worthless means that, in order to recover and realise a return upon its investment, a purchaser of such Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Reference.

Risks relating to Index Linked Securities

The Issuer may issue Securities where the amount of principal and/or interest payable or deliverable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount

(in the case of Warrants) are dependent upon the level of an index or indices ("**Index Linked Notes**", "**Index Linked Warrants**" and "**Index Linked Certificates**" respectively, and together, "**Index Linked Securities**").

Potential investors in any such Securities should be aware that depending on the terms of the Index Linked Securities (a) in the case of Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of the Entitlement may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment; (b) in the case of Index Linked Warrants (i) payment of any cash settlement amount or delivery of the Entitlement may be significantly less than anticipated or may occur at a different time than expected and (ii) such Warrants may expire worthless and the investor may lose all or a substantial portion of their investment; and (c) in the case of Index Linked Certificates (i) they may receive no or a limited amount of interest, (ii) payment of any cash settlement or delivery of the Entitlement or payment of any instalment amount or interest may be significantly less than anticipated or may occur at a different time than expected and (iii) the Certificates may be worthless upon redemption and the investor may lose all or a substantial portion of their investment. In addition, the movements in the level of an index or indices may be subject to significant fluctuations that may or may not correlate with other indices, changes in interest rates or currencies and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations.

If the amount of principal and/or interest payable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount (in the case of Warrants) is dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on principal or interest or the instalment amount payable or the settlement amount or Entitlement (as the case may be) will be magnified.

The market price of such Securities may be volatile and may depend on the time remaining to the redemption date or expiration date (as applicable) and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded. The index may reference equities, bonds or other securities or it may be a property index referencing certain property price data which will be subject to market price fluctuations. 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.

An investment in Index Linked Notes, Index Linked Warrants or Index Linked Certificates linked to a custom index ("**Custom Index Linked Notes**", "**Custom Index Linked Warrants**" or "**Custom Index Linked Certificates**" respectively, and together "**Custom Index Linked Securities**") will entail significant risks not associated with an investment in a conventional debt security. On an interest payment date or on maturity, as the case may be, of Custom Index Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the underlying custom index/custom indices. On the exercise date of Custom Index Linked Warrants, Warrantholders will receive an amount or Entitlement (if any) determined by reference to the value of the underlying custom index/custom indices. On an interest payment date or on the exercise date, as the case may be, of Custom Index Linked Certificates, the Certificateholders will receive an amount or Entitlement, as applicable (if any) determined by reference to the value of the underlying custom index/custom indices. Such custom index may be an index established, sponsored and/or calculated by the Swap Counterparty and/or its affiliates or another entity which may not be widely published or available. The custom index may reference equities, bonds,

indices, rates, commodities, funds or other securities, it may be a property index referencing certain property price data which will be subject to market price fluctuations or even a combination of all or some of the foregoing.

Pursuant to the operational rules of the relevant custom index/custom indices, the custom index/custom indices generally are scheduled to be calculated on each weekday. In the event that one of the levels/values/prices of a component included in the custom index/custom indices is not available for any reason on any weekday (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) (a "**Disrupted Day**") then the calculation agent of the custom index/custom indices may, but is not obliged to, calculate the level of the custom index/custom indices on that day by taking a level/value/price for the affected index component from the preceding day on which a level for such affected index component was available.

For the avoidance of doubt, the Swap Counterparty 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 relevant Swap Agreement and or other underlying hedging arrangements notwithstanding the calculation agent of the such index has calculated and published a level in respect of such day. In the event that the strike date or initial calculation date (as the case may be) or any other valuation or observation date is a Disrupted Day for the custom index/custom indices, the strike date, initial calculation date or relevant valuation or observation date, as the case may be, shall be the first succeeding day that is not a Disrupted Day and on which the Swap Counterparty and/or its affiliates is able to trade on and hedge its obligations in respect of the custom index/custom indices subject to a specified maximum days of disruption, as more fully set out in the terms and conditions of the relevant Securities. 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 the 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.

Where the Underlying Reference is a custom index and a custom index adjustment event (as described in the terms and conditions of the relevant Securities) occurs, the Calculation Agent may make such adjustments as it determines appropriate to the terms of such Securities (including substituting a custom index with another custom index with a similar strategy as the original custom index) or notify the Issuer that it has not determined any appropriate adjustment, following which the Issuer will redeem (in the case of Notes and Certificates) or cancel (in the case of Warrants) such Securities. In making such adjustment or determination, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar adjustment or other determination made in respect of any applicable Swap Agreement in relation to such custom index adjustment event. Such action may have an adverse effect on the value and liquidity of the affected Custom Index Linked Securities.

Risks relating to Share Linked Securities

The Issuer may issue Securities where the amount of principal and/or interest payable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount (in the case of Warrants) are dependent upon the price of, or changes in the price of, shares, GDRs and/or ADRs or a basket of shares, GDRs and/or ADRs or where the Issuer's obligation on redemption or settlement (as the case may be) is to deliver a specified number of shares, GDRs and/or ADRs ("**Share Linked Notes**", "**Share Linked Certificates**" and "**Share Linked Warrants**"

respectively and together "**Share Linked Securities**"). Accordingly an investment in Share Linked Securities may bear similar market risks to a direct equity investment and potential investors should take advice accordingly.

Potential investors in any such Securities should be aware that, depending on the terms of the Share Linked Securities, (a) in the case of Share Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment and (b) in the case of Share Linked Warrants (i) payment of any cash settlement amount or delivery of the Entitlement may be significantly less than anticipated or may occur at a different time than expected and (ii) such Warrants may expire worthless and the investor may lose all or a substantial portion of their investment and (c) in the case of Share Linked Certificates (i) they may receive no or a limited amount of interest, (ii) payment of any cash settlement amount or delivery of the Entitlement or payment of any instalment amount or interest may be significantly less than anticipated or may occur at a different time than expected and (iii) the Certificates may be worthless upon redemption and the investor may lose all or a substantial portion of their investment. In addition, the movements in the price of a share or basket of shares may be subject to significant fluctuations that may or may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the share or shares may affect the actual yield to investors, even if the average level is consistent with their expectations.

If the amount of principal and/or interest payable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount (in the case of Warrants) is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the share or shares, GDR or GDRs and/or ADR or ADRs on principal or interest or the instalment amount payable or the settlement amount or Entitlement (as the case may be) will be magnified.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption date or expiration date (as applicable), the volatility of the share or shares, GDR or GDRs and/or ADR or ADRs, the dividend rate (if any) and the financial results and prospects of the issuer or issuers (or the underlying issuer or issuers, as the case may be) of the relevant share or shares, GDR or GDRs and/or ADR or ADRs as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such shares, GDRs and/or ADRs may be traded.

In the case of Share Linked Securities, no issuer of the underlying shares or, in the case of Share Linked Securities linked to GDRs and/or ADRs, the underlying issuer in respect of such GDRs and/or ADRs, as the case may be, will have participated in the preparation of the applicable Final Terms or in establishing the terms of the relevant Securities, and none of the Issuer, BNP Paribas, the Trustee, the Dealer, BNL or their respective affiliates will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer or underlying issuer, as the case may be, of shares, GDRs and/or ADRs 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 applicable Final Terms) that would affect the trading price of the share, GDR and/or ADR 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 or underlying issuer, as the case may be, of shares, GDRs and/or ADRs could affect the trading price of the share, GDR and/or ADR and therefore the trading price of the Securities.

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

Risks relating to Debt Linked Securities

An investment in Debt Linked 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 Linked Securities, Holders of Securities will receive an amount (if any) determined by reference to the price or yield of the underlying debt security(ies) (as specified in the applicable Final Terms) and/or the physical delivery of a given number of debt security(ies). Accordingly, an investment in Debt Linked 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 price or yield of the underlying debt instrument(s) (as specified in the applicable Final Terms).

Risks relating to Commodity Linked Securities

The Issuer may issue Securities where the amount of principal and/or interest payable (in the case of Notes) or the settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the settlement amount (in the case of Warrants) are dependent upon the price of or changes in the price of commodities and/or commodity indices or a basket of commodities and/or commodity indices ("**Commodity Linked Notes**", "**Commodity Linked Certificates**" and "**Commodity Linked Warrants**" respectively and together "**Commodity Linked Securities**"). Accordingly an investment in Commodity Linked Securities may bear similar market risks to a direct commodity investment and potential investors should take advice accordingly.

Potential investors in any such Securities should be aware that, depending on the terms of the Commodity Linked Securities, (a) in the case of Commodity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment, (b) in the case of Commodity Linked Warrants (i) payment of any cash settlement amount may be significantly less than anticipated or may occur at a different time than expected and (ii) such Warrants may expire worthless and the investor may lose all or a substantial portion of their investment and (c) in the case of Commodity Linked Certificates (i) they may receive no or a limited amount of interest, (ii) payment of any final redemption amount or payment of any instalment amount or interest may be significantly less than anticipated or may occur at a different time than expected and (iii) the Certificates may be worthless upon redemption and the investor may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity and/or commodity index or basket of commodities and/or commodity indices may be subject to significant fluctuations that may or may not correlate with other indices, changes in interest rates or currencies and the timing of changes in the relevant price of a commodity and/or commodity index may affect the actual yield to investors, even if the average level is consistent with their expectations.

If the amount of principal and/or interest payable (in the case of Notes) or the settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the settlement amount (in the case of Warrants) is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of a commodity and/or commodity index on principal or interest or the instalment amount payable or the settlement amount (as the case may be) will be magnified.

Where the Commodity Linked Securities are linked to a commodity index, such commodity index may be a well known and widely available commodity index or a commodity index which may not be well known or widely available and 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 Linked 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 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. For further information on the effect of a market disruption event in relation to Community Linked Securities, please refer to the paragraph below entitled "*Market Disruption Events relating to Commodity Linked Securities*".

The Swap Counterparty and/or its affiliates may not be able to hedge their obligations in respect of the commodity index under the Swap Agreement and/or other underlying hedge arrangements, notwithstanding the calculation and publication of the level of the commodity index. In the event that a Market Disruption Event is occurring on the Initial Pricing Date or any Pricing Date, the Initial Pricing Date or Pricing Date will be postponed until the first succeeding Pricing Date that is not a Commodity Disrupted Day, subject to a specified maximum days of disruption, as more fully set out in the terms and conditions of the relevant Securities.

Market Disruption Events relating to Commodity Linked Securities

If a Market Disruption Event (as defined in the Conditions relating to Commodity Linked Securities) 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 Linked Conditions and will make such adjustment, if any, to any terms of the Securities as the Calculation Agent in good faith and in a commercially reasonable manner 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 Linked Securities

In the case of a 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:

(i) 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

(ii) cancellation or early redemption of the Securities.

Risks relating to Currency Linked Securities

The Issuer may issue Securities where the amount of principal and/or interest payable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount (in the case of Warrants) are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Securities are denominated ("**Currency Linked Notes**", "**Currency Linked Warrants**" and "**Currency Linked Certificates**" respectively and together "**Currency Linked Securities**"). Accordingly an investment in Currency Linked Securities may bear similar market risks to a direct foreign exchange investment and potential investors should take advice accordingly.

Potential investors in any such securities should be aware that, depending on the terms of the Currency Linked Securities, (a) in the case of Currency Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time or in a different currency than expected and (iii) they may lose all or a substantial portion of their investment, (b) in the case of Currency Linked Warrants (i) payment of any cash settlement amount or delivery of the Entitlement may be significantly less than anticipated or may occur at a different time than expected and (ii) such Warrants may expire worthless and the investor may lose all or a substantial portion of their investment and (c) in the case of Currency Linked Certificates (i) they may receive no or a limited amount of interest, (ii) payment of any cash settlement amount or delivery of the Entitlement or payment of any instalment amount or interest may be significantly less than anticipated or may occur at a different time than expected and (iii) the Certificates may be worthless upon redemption and the investor may lose all or a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may or may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macroeconomic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Security. Fluctuations in exchange rates will affect the value of Currency Linked Securities. Furthermore, Holders of Securities who intend to convert gains or losses from the exercise, redemption or sale of Currency Linked 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).

If the amount of principal and/or interest payable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount (in the case of Warrants) is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest or the instalment amount payable or the settlement amount or Entitlement (as the case may be) will be magnified.

The market price of such Securities may be volatile and, if the amount of principal and/or interest payable or the settlement amount or Entitlement (as the case may be) are dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption date or exercise date (as applicable) and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

In the case of Warrants and Certificates only, 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 Warrants and such other warrants, securities and options trade in the secondary market to decline significantly.

Risks relating to Fund Linked Securities

The Issuer may issue Securities where the amount of principal and/or interest payable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount (in the case of Warrants) are dependent upon the price or changes in the price of units or shares in a fund or funds or, depending on the price or changes in the price of units or shares in such fund or funds, the Issuer's obligation on redemption is to deliver a specified amount of Fund Shares ("**Fund Linked Notes**", "**Fund Linked Warrants**" and "**Fund Linked Certificates**" respectively and together "**Fund Linked Securities**"). Accordingly an investment in Fund Linked Securities may bear similar market risks to a direct fund investment and potential investors should take advice accordingly.

Funds may trade and invest in a broad range of investments and financial instruments such as debt and equity securities, commodities and foreign exchange and may enter into derivative transactions, including, without limitation, futures, swaps and options using sophisticated investment techniques for hedging and non-hedging purposes. 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 Linked Securities. Potential investors should be aware that none of the Issuer, the Swap Counterparty, 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 or, therefore, any amount due to Holders of Securities which are Fund Linked 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 Linked Securities will be dependent on the performance of the relevant fund(s) underlying the Fund Linked Securities, which may be linked to the reported net asset value ("**NAV**") per fund share and/or the actual redemption proceeds the Hedge Provider (as defined in the Conditions) or a hypothetical investor in the relevant fund(s) would receive. The amount payable on the Fund Linked 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 Linked 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 Linked Securities are "feeder" funds, the Extraordinary Fund Events (see 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 its obligations under any Swap Agreement relating to Fund Linked 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 Linked Securities.

Prospective investors in any such Securities should be aware that, depending on the terms of the Fund Linked Securities, (a) in the case of Fund Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment, (b) in the case of Fund Linked Warrants (i) payment of any cash settlement amount or delivery of the Entitlement may be significantly less than anticipated or may occur at a different time than expected and (ii) such Warrants may expire worthless and the investor may lose all or a substantial portion of their investment and (c) in the case of Fund Linked Certificates (i) they may receive no or a limited amount of interest, (ii) payment of any cash settlement amount or delivery of the Entitlement or payment of any instalment amount or interest may be significantly less than anticipated or may occur at a different time than expected and (iii) the Certificates may be worthless upon redemption and the investor may lose all or a substantial portion of their investment. In addition, the movements in the price of units, shares or interests in the fund or funds may be subject to significant fluctuations that may or may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the units or shares in the fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations. Prospective investors should also be aware that in the event of the occurrence of one or more Extraordinary Fund Events then (A) the Issuer may (i) substitute the relevant Fund Shares with fund shares of a fund with similar characteristics or if no such fund is selected with a replacement index or redeem, (ii) cancel the Securities (as applicable) or (iii) take no further action and (B) the Calculation Agent may make such adjustments to the relevant Fund, Fund Shares,

Weighting and/or the terms and conditions of the relevant Securities as it determines appropriate in good faith and in a commercially reasonable manner. In making such substitution, adjustment or other determination, the Issuer and/or the Calculation Agent (as the case may be) shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar substitution, adjustment or other determination made in respect of any applicable Swap Agreement in relation to such Extraordinary Fund Event.

If the amount of principal and/or interest payable (in the case of Notes) or the Entitlement or settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) or the Entitlement or settlement amount (in the case of Warrants) is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the units or shares of the fund or funds on principal or interest or the instalment amount payable or the settlement amount or Entitlement (as the case may be) will be magnified. The market price of such Securities may be volatile and may depend on the time remaining to the redemption date or Expiration Date (as applicable) and the volatility of the price of units or shares in the fund or funds. The price of units or shares in a fund may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the fund or funds may be traded. In addition, 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.

Prospective investors should review carefully the prospectus, information memorandum and/or offering circular (if any) issued by any relevant fund(s) before purchasing any Securities. None of the Issuer, BNP Paribas and its respective affiliates, the Dealer, BNL or any other Guarantor (if applicable), any affiliate of any Guarantor (if applicable), the Trustee or the Calculation Agent make any representation as to the creditworthiness of any relevant fund or any such fund's administrator, custodian, investment manager or adviser or in respect of any prospectus, information memorandum and/or offering circular (if any) issued by any relevant fund. 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 Linked 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 Linked Securities to any ownership interest or rights in such Fund(s).

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 Securities will fall and may in certain circumstances be zero.

Other Events relating to Fund Linked 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 occur, the Calculation Agent may, in good faith and in a commercially reasonable manner, determine that no action will be taken to 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 Calculation Agent will exercise its rights under the Fund Linked Conditions, including in particular the action it takes, or directs shall be taken, on the occurrence of an Extraordinary Fund Event, in good faith and in a commercially reasonable manner. 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 Linked Securities. The exercise of such rights in such manner may result in an increased loss in performance of the Fund Linked Securities than if the Calculation Agent had taken different action.

Risks relating to Credit Linked Securities

The Issuer may issue Notes or Certificates where the amount of principal and/or interest payable (in the case of Notes) or the settlement amount and/or the instalment amount and/or interest payable (in the case of Certificates) are 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 where, if such events have occurred, on redemption the Issuer's obligation is to deliver certain specified assets.

Prospective investors in any such Notes or Certificates ("**Credit Linked Securities**") should be aware that, depending on the terms of the Credit Linked Securities, (i) they may receive no or a limited amount of interest, (ii) payment of principal (in the case of Notes) or any instalment amount or cash settlement amount (in the case of Certificates) or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of such Credit Linked Securities may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the reference entity which, in turn, may be affected by the economic, financial and political events in one or more jurisdictions.

Where the Credit Linked Securities provide for physical delivery, the Calculation Agent 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 Issuer has not received under the terms of any transaction entered into by the Issuer in connection with the Credit Linked Securities. Any such determination may delay settlement in respect of the Credit Linked 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 Credit Linked Securities and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes or Certificates and as a result, the amount of principal payable on redemption. Prospective investors should review

the Terms and Conditions of the Notes or the Terms and Conditions of the Certificates, as the case may be, and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes or Certificates.

Interest rate risks

Investment in Fixed Rate Notes or Certificates or any Note or Certificate with a fixed rate component involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes or Certificates.

Additional risk factors for Credit Linked Securities

Holders are exposed to credit risk on Reference Entities

The holders of Credit Linked Securities will be exposed to the credit risk of one or more Reference Entities, which exposure shall be, unless otherwise stated in the Conditions and the applicable Final Terms, to the full extent of their investment in such Credit Linked Securities. Upon the occurrence of any of the default events comprising a Credit Event with respect to any Reference Entity, the Holders of Securities 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 Linked 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 either (in the case of Notes) in a redemption in a reduced principal amount or at zero or (in the case of Certificates) in a redemption in a lower cash settlement amount than anticipated 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 Credit Linked Securities 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.

Investors in the Securities are accordingly exposed, as to principal and (if applicable) interest, in the case of Notes, and as to the cash settlement amount and/or instalment amount and/or interest (as applicable) in the case of Certificates, 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

Noteholders may suffer a loss of some or all of the principal amount of the Notes and Certificateholders may see a reduction in the value of the Certificates, in respect of one or more Credit Events that occur on or after the date falling 60 days prior to the Trade Date (being a date specified in the Final Terms or being, generally, the date on which the initial investor(s) in any Series of Credit Linked Securities commit to purchase such Credit Linked Securities, and accordingly, on which the Swap Counterparty will undertake related hedging activity) or the Issue Date, if the Credit Event Backstop Date is specified on a date falling prior to such date. Accordingly, the Holder of Credit Linked Notes or Certificates will be exposed to the risk of the occurrence of any Credit Event after such date even if it occurs 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) which may be several weeks after the Trade Date. If the Reference Entity suffers a Credit Event prior to the Issue 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 Issuer or any Guarantor (if applicable) nor any of their respective affiliates has any responsibility to inform any Holder of Securities, 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 risk is associated with Nth-to-Default Credit Linked Securities

Where the Credit Linked Securities are Nth-to-Default Credit Linked Securities, the Securities 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 of Securities 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 Credit Linked Securities are Nth-to-Default Credit Linked Securities or Linear Basket Credit Linked Securities, the credit risk to investors in the Credit Linked Securities 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.

Rights of the Swap Counterparty and Calculation Agent

The Swap Counterparty will exercise its rights under the terms of the Securities and the relevant Swap Agreement, including in particular the right to designate a Credit Event and the right to select obligations of the affected Reference Entity for valuation or delivery, in the interests of itself and 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 the lowest possible market value, may result in an increased credit loss for holders of the Securities.

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 of Securities. In performing its duties pursuant to the Securities, the Calculation Agent shall act in good faith and in a commercially reasonable manner and is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. In making any determinations expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Calculation Agent is under no obligation to the Holders of Securities, and will not be liable to account for any profit or other benefit which may accrue to it as a result of such determination.

Actions of Reference Entities may affect the value of the 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. The views of market participants and/or legal counsel may differ as to how the terms of market standard credit default swaps, and corresponding terms of the Securities and the relevant Swap Agreement, should be interpreted in the context of such actions, or such terms may operate in a manner contrary to the expectations of

market participants and/or adversely to the interests of Holders of Securities. Holders of 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 Securities may be deferred or suspended

In certain circumstances, for example, where a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, where a potential Credit Event exists as at the scheduled maturity of the Securities, or pending a resolution of a Credit Derivatives Determinations Committee, payment of the redemption amount of the Notes or the cash settlement amount of the Certificates, and/or interest on the Securities may be deferred for a material period in whole or part without compensation to the Holders of Securities.

Suspension of Obligations will suspend payment of principal (in the case of Notes) and interest

If the Calculation Agent determines that, under the terms of the Securities, the obligations of the parties would be suspended pending a resolution of a Credit Derivatives Determination Committee all of the obligations of the Issuer under each Security (including any obligation to deliver any notices, pay any interest, pay any principal or Final Redemption Amount (in the case of Notes) or pay any cash settlement amount (in the case of Certificates) or to make any delivery) and if so specified in the Final Terms, all of the obligations of the Calculation Agent to calculate any interest under each Credit Linked 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 of Securities

Where the Securities are redeemed following the occurrence of a Credit Event by reference to an auction sponsored by ISDA, the Swap Counterparty and/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 Swap Counterparty and/or its affiliates participate in an Auction, then they will do so without regard to the interests of Holders of Securities, and such participation may have a material adverse effect on the outcome of the relevant Auction and/or on the Securities. Holders of Securities 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 Swap Counterparty, the 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. Neither the Issuer nor the Swap Counterparty will have any 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 Linked 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 Linked 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 than the amount which would have been determined based on quotations sought from third party dealers, thereby reducing the amount payable to Holders of Securities.

Use of Cash Settlement may adversely affect returns to Holders of Securities

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 "bid-side" - that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially reduced 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 lower than 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.

Where credit losses are determined on the basis of a market auction, such losses may be greater than the losses which would have been determined in the absence of such auction. If the Swap Counterparty or any affiliate thereof participates in any auction for the purposes of such an auction, then it will do so without regard to the interests of the Holders of Securities. Such participation may have a material effect on the outcome of the relevant auction.

"Cheapest-to-Deliver" risk

Since the Swap Counterparty, 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.

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 of Securities*" and "*"Cheapest-to-Deliver" risk* " 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 Linked Security equal to the portion of the Credit Linked 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 Credit Linked Securities. Furthermore, the market value of the Credit Linked 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.

No information

Neither the Swap Counterparty nor the Issuer is obliged to disclose to Holders of Securities any information which it may have at the Issue Date of the Securities or receive thereafter in relation any Reference Entity.

Compounding of risks

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 Securities.

No need for loss

Where the Securities are Single Reference Entity Credit Linked Securities, Nth-to-Default Credit Linked Securities or Linear Basket Credit Linked Securities, credit losses will be calculated for the purposes of the Securities and the relevant Swap Agreement irrespective of whether the Swap Counterparty or its affiliates or the Issuer has suffered an actual loss in relation to the Reference Entity or any obligations thereof. Neither the Swap Counterparty nor the Issuer is obliged to account for any recovery which it may subsequently make in relation to such Reference Entity or its obligations.

No interest in obligations of Reference Entities

The Securities and the relevant Swap Agreement do not constitute an acquisition by the Holders of Securities of any interest in any obligation of a Reference Entity and the Holders of Securities will not have any voting or other rights in relation to such obligation. Neither the Swap Counterparty nor the Issuer grants any security interest over any such obligation.

Absence of benchmarks for valuation

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 credits may not perform as indicated by the historical performance of similar credits. Even if future performance is similar to that of historic performance for the entire market, each prospective purchaser of Securities must make its own determination as to whether the performance of the Securities will reflect such experience. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Securities and the relevant Swap Agreement.

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 United Kingdom securities laws. None of the Issuer, the Swap Counterparty, the Calculation Agent, any Guarantor (if applicable) or any of their respective affiliates makes any representation as to the accuracy or completeness of any information available with respect to the Reference Entities.

None of the Issuer, the Swap Counterparty, or the Calculation Agent, any Guarantor (if applicable) 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 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 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 Swap Counterparty or any of its affiliates may act as a member of a Credit Derivatives Determinations Committee. In such case, the interests of the Swap Counterparty or its affiliates may be opposed to the interests of Holders of Securities and they will be entitled to and will act without regard to the interests of Holders of Securities.

Rights associated with Credit Derivatives Determinations Committees

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

Holders of Securities will 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 of Securities will 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 of Securities will have no control over the process of selecting institutions to participate on the 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 of Securities will 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 of Securities and the Holders of Securities will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Holders of Securities 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 obliged to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts. If the Swap Counterparty 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 of Securities.

Holders of Securities 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 Issuer nor the Calculation Agent or any of its affiliates shall be obliged to inform the Holders of Securities of such information (other than as expressly provided in respect of the Securities). Failure by the Holders of Securities to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the Securities and Holders of Securities 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 Noteholders 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 Issuer may be entitled to select a particular Auction for the purposes of settlement of the Securities. The Issuer will make such election acting in its own interests and not in the interests of the Holders of Securities.

Non-delivery of Deliverable Obligations and Hedge Disruption Event – will not constitute an Event of Default

Where Physical Settlement is the applicable Settlement Method, if as a result of a Hedge Disruption Event, the Issuer or the Swap Counterparty and/or any of their affiliates have not received the Deliverable Obligations and/or cash under the terms of a Hedge Transaction, such event will not constitute an Event of Default for the purposes of the Securities. In such circumstances settlement of the Securities may be substantially delayed and/or may be in cash (in whole or in part).

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 of Securities or prior notice to Holders of Securities. 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.

The Calculation Agent may make such modifications as may be necessary to ensure consistency with any successor provisions which are published by ISDA 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 provisions and Annex 10 (*Additional Terms and Conditions for Credit Linked Securities*).

Risks relating to ETI Linked Securities

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.

An investment in ETI Linked Securities will entail significant risks not associated with an investment in a conventional debt security. The amount payable on ETI Linked Securities will be

dependent on the performance of the relevant exchange traded instruments underlying the ETI Linked 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 exchange traded instruments would receive. The amount payable on the ETI Linked Securities may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant exchange traded instruments and may be zero. Accordingly, an investment in ETI Linked Securities may bear similar market risks to a direct exchange traded instrument investment, and investors should take advice accordingly.

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 Linked Securities are similar to the provisions related to funds and Fund Linked Securities. However, 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.

In the case of ETI Linked Securities, no issuer of the relevant 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 any), the Swap Counterparty, the Trustee or the Calculation Agent 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 Linked Securities do not provide Holders of Securities with any participation rights in the underlying exchange traded instruments and, except in certain circumstances in the case of Physical Delivery Securities, do not entitle holders of ETI Linked Securities to any ownership interest or rights in such exchange traded instruments.

In hedging its obligations under any Swap Agreement relating to ETI Linked 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 Linked 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 Linked Securities. None of the 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.

Before selling ETI Linked Securities, Holders of Securities should carefully consider, among other things, (a) the trading price of the ETI Linked 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) 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.

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

Potential Adjustment Events relating to ETI Securities

In the case of ETI Linked 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 good faith and in a commercially reasonable manner, 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 the terms of the Securities and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner 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.

Additional Disruption Events and Optional Additional Disruption Events

If an Additional Disruption Event 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 Linked 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 if Index Linked 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 Optional Additional Disruption Event occurs:

(A) subject as provided in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Expiration Date or

Exercise Date (in the case of Warrants), Maturity Date (in the case of Notes) or Redemption Date (in the case of Certificates); and

(B) in respect of any Affected Relevant Assets, in lieu of physical settlement, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Holder of Securities 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.

(C) Notwithstanding any other provision of the Conditions, in making its determination in the manner set out above, the Calculation Agent shall, to the extent applicable to the relevant Notes, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Additional Disruption Event or Optional Additional Disruption Event.

(D) 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 the relevant Conditions 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.

(E) In determining to take a particular action as a result of an Additional Disruption Event or Optional Additional Disruption Event, the Calculation Agent 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 Additional Disruption Event or Optional Additional Disruption Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including 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.

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 Underlying Reference Linked Securities includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on the Strike Date or Initial Calculation Date (as applicable), a Valuation Date or Calculation Date (as applicable), Observation Date or Averaging Date and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such date, any consequential postponement of the Strike Date or Initial Calculation Date (as applicable), a Valuation Date or Calculation Date (as applicable), Observation Date or Averaging Date (as the case may be) or any alternative provisions for valuation provided in any such Securities may have an adverse effect on the value and liquidity of such Securities. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Securities such that the relevant Holder of Securities may receive, in the case of Notes and Certificates, a lower cash redemption or settlement amount and/or interest amount or other payment under the relevant Notes or Certificates, or, in the case of Warrants, a lower settlement amount or Entitlement or

other payment under the relevant Warrants, than otherwise would have been the case. 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 date of redemption of the Securities.

Index Adjustment Events

If (i) on or prior to the last Valuation Date, last Observation Date, last Averaging Date, the last Knock-in Determination Day or the last Knock-out Determination Day, 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 (ii) on a Valuation Date, an Observation Date, an Averaging Date, a Knock-in Determination Day or Knock-out Determination Day, 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,

(i) 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 Valuation Date, Observation Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, 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;

(ii) in the case of Notes and Certificates only, unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent may require the Issuer to redeem the Notes or Certificates, as applicable, in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with the Conditions of the Notes or to the Certificateholders in accordance with the Conditions of the Certificates, as applicable. If the Notes or Certificates are so redeemed the Issuer will pay an amount to each Noteholder or Certificateholder, as the case may be, in respect of each redeemed Note or Certificate being redeemed equal to the relevant Early Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders or to the Certificateholders, as applicable;

(iii) in the case of Notes and Certificates only, if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of the paragraph above "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a pro rata share of the sum of (1) the Early

Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part, and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure); or

(iv) in the case of Warrants only, the Issuer may cancel the Warrants by giving notice to the Warrantholders in accordance with the Conditions of the Warrants. 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 Early Termination Amount. Payments will be made in such manner as shall be notified to the Warrantholders.

Potential Adjustment Events relating to Share Linked Securities

In the case of Share Linked 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 good faith and in a commercially reasonable manner, 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 the terms of the Conditions of the Securities as the Calculation Agent in good faith and in a commercially reasonable manner 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 Linked Securities. 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 Share Interest traded on that exchange.

Extraordinary Events relating to Share Linked Securities

In the case of Share Linked Securities the occurrence of an Extraordinary Event (as defined in the Share Linked Conditions) in relation to a Share, may lead to:

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

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

(iii) in the case of Notes and Certificates, early redemption in whole or, in the case of Share Linked 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;

(iv) 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 Calculation Agent in good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner 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.

The occurrence of a 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 "**FX 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 acting in good faith and in a commercially reasonable manner.

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 of Securities instead of delivering or procuring delivery of the Entitlement.

Maturity Date Extension and Settlement Date Extension

If "Maturity Date Extension" (in the case of Notes) or "Settlement Date Extension" (in the case of Warrants) or "Redemption Date Extension" (in the case of Certificates) is specified as applicable, where the Issuer has not received in full the amount it is scheduled to receive in respect of any of the Charged Assets relating to the relevant Securities (such assets the "**Non-Performing Assets**") on or prior to the Early Redemption Date or the Maturity Date (in the case of Notes) or the Early Termination Date or the Settlement Date (in the case of Warrants), or the Early Redemption Date or the Cash Settlement Date or Delivery Date, as the case may be, in the case of Certificates, as the case may be, redemption in full of the Notes or Certificates, or settlement in full of the Warrants, as the case may be, will be postponed until the date specified in the applicable Final Terms as the "Extended Maturity Date" (in the case of Notes) or "Extended Settlement Date" (in the case of Warrants) or "Extended Redemption Date" in the case of Certificates. Such Extended Maturity Date, Extended Settlement Date, or Extended Redemption Date, as the case may be, may, depending on the terms of the relevant Securities, be a considerable period of time after the date on which the Issuer was due to redeem the Notes or Certificates, or settle the Warrants, as the case may be. The Issuer will in the period to, and including, the Extended Maturity Date or Extended Settlement Date or Extended Redemption Date, as the case may be, pay over any amounts it receives in such period in respect of the relevant Charged Assets to the Holders of Securities (to the extent amounts are due to the Holders of Securities) and shall appoint an agent to assist it in recovering amounts due in respect of the relevant Charged Asset or, where applicable and when requested to do so by the Calculation Agent, the Issuer may sell the Charged Assets (or its rights in connection therewith). There is no guarantee, notwithstanding the postponement of the redemption of the Notes or Certificates or settlement of the Warrants, as the case may be, in full, that any further sums will be recovered in respect of the Charged Assets and that the Holders of

Securities would receive any greater amount than if the Notes had been redeemed in full on the Early Redemption Date or the Maturity Date or the Warrants had been settled in full on the Early Termination Date or the Settlement Date or the Certificates had been redeemed in full on the Early Redemption Date or the Redemption Date, as the case may be.

Additional Factors relating to certain Underlying References

Certain considerations associated with Securities linked to Emerging Markets Underlying References

The Issuer may issue Securities where the amount payable on redemption or settlement (as the case may be) or the interest payable (in the case of Notes and Certificates) and/or the instalment amount payable (in the case of Certificates) 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 such Securities should also be aware that the probability of the occurrence of a disruption event 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 Dynamic Securities

The 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 (for example, a hedge fund) and assets with a lower return and consequently lesser risk (for example, a zero coupon debt security issued by an issuer with a high credit rating). The portfolio or strategy of the Underlying Reference may include leverage or the taking of short positions on certain specified terms. The portfolio or strategy of the Underlying Reference 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 of the Underlying Reference at different times. This portfolio or strategy of the Underlying Reference may change during the term of the Securities; such changes or the timing thereof 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 Securities.

Limited exposure to Underlying Reference

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

Physical Delivery Securities

In the case of Securities which are redeemable or settled (as the case may be) by delivery of assets (other than Credit Linked Securities), if a Settlement Disruption Event occurs or exists on the due date for redemption or settlement of the Securities (as the case may be), settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The Issuer in these circumstances also has the right to pay the Disruption Cash Redemption Amount (in the case of Notes and Certificates) or the Disruption Cash Settlement Price (in the case of Warrants) in lieu of delivering the Entitlement.

If a Failure to Deliver due to Illiquidity occurs the Issuer has the right in lieu of delivery of the assets affected by such event to pay the Failure to Deliver Redemption Amount or Failure to Deliver Cash Settlement Price (as applicable). The Disruption Cash Redemption Amount and/or the Failure to Deliver Redemption Amount and/or Disruption Cash Settlement Price (as the case may be) may be less than the fair market value of the Entitlement.

Commodity Linked Notes and Commodity Linked Certificates may not be redeemed by delivery of assets.

G. Specific Risks relating to Notes

Taxation

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

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other 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. 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 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 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 that indirectly benefit an individual resident in a Member State 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 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 proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If, following implementation of the Savings Directive or the Amending Directive, a payment in respect of the Securities were to be made or collected through a 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 any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax pursuant to the Savings Directive or the Amending Directive.

For these purposes, the term "**paying agent**" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive or the Amending Directive, for the immediate benefit of individuals.

Notes where denominations involve integral multiples: Definitive Bearer Notes

In relation to any issue of Bearer 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 Bearer Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that is 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 Bearer Note in respect of such holding (should Definitive Bearer Notes be printed) and would need to purchase a principal amount of Bearer Notes at or in excess of the minimum Specified Denomination such that its holding amounts to the Specified Denomination or an integral multiple thereof.

If Definitive Bearer Notes are issued, holders should be aware that Definitive Bearer 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 upon the application of withholding tax

The Notes will not have the benefit of a gross-up provision in respect of withholding taxes. Neither the Issuer, nor, as applicable, the Guarantor, is 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 Note 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.. Noteholders therefore will bear the risk of the imposition of any deduction or withholding with respect to payments made under the Notes.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer or the Swap Counterparty may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

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

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.

H. Specific Risks relating to Warrants

General

Prospective purchasers of Warrants should recognise that their Warrants may expire worthless. Prospective purchasers should be prepared to sustain a total loss of the purchase price of their Warrants.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realise a return upon its investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Reference which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the lower the value of a Warrant and the shorter the remaining term of a Warrant to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment. The only means through which a holder of a Warrant can realise value from the Warrant prior to its Exercise Date in relation to such Warrant is to sell it at its then market price in an available secondary market. See "*Possible Illiquidity of the Securities in the Secondary Market*" above.

In addition to the factors set out in this section "*D. Risks Relating to Warrants*", Warrantholders should be aware that the ability of the Issuer to meet its obligations under Warrants issued by it may depend on the receipt by it of payments from the Compartment Assets it purchases (if any) with the proceeds of the issue of each Series of Warrants and/or on the receipt by it of payments under relevant swap agreements, which will be with BNP Paribas or BNP Paribas Fortis SA/NV, deposit agreements or repurchase agreements notwithstanding the performance of any relevant Underlying Reference. The Warrantholders are therefore exposed to the risk that the Issuer will not have sufficient funds available to it to make payments due under the Warrants. See "*A. Risks relating to the Issuer*" above for further details of such risks.

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 Warrantholder may not be able to exercise on such date all the Warrants that such Warrantholder 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 by the Calculation Agent acting in good faith and in a commercially reasonable manner or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the Final Terms, 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 Warrantholder must tender or, in the case of automatic exercise, hold, a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders 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, Warrantholders 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 value of the assets delivered (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 Warrantholder 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 Conditions of the Warrants. 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 Linked Warrants. 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.

In general, certain of the risks associated with Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. Warrants on shares, debt instruments or fund shares or units are priced primarily on the basis of the value of underlying securities, whilst Currency Linked and Commodity Linked Warrants 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.

I. Specific Risks Relating to Certificates

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other 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. 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 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 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 that indirectly benefit an individual resident in a Member State 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 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 proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If, following implementation of the Savings Directive or the Amending Directive, a payment in respect of the Securities were to be made or collected through a 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 any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax pursuant to the Savings Directive or the Amending Directive.

For these purposes, the term "**paying agent**" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive or the Amending Directive, for the immediate benefit of individuals.

No gross-up upon the application of withholding tax

The Certificates will not have the benefit of a gross-up provision in respect of withholding taxes. Neither the Issuer nor, as applicable, the Guarantor, is obliged to gross-up any payments in respect of the Certificates 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 Certificate 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. Certificateholders therefore will bear the risk of the imposition of any deduction or withholding with respect to payments made under the Certificates.

Variable rate Certificates with a multiplier or other leverage factor

Certificates with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Certificates

Inverse Floating Rate Certificates have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Certificates is typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Certificates are more volatile because an increase in the reference rate not only decreases the interest rate of the Certificates but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Certificates.

Fixed/Floating Rate Certificates

Fixed/Floating Rate Certificates may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where the Issuer or the Swap Counterparty has the right to effect such a conversion, this will affect the secondary market and the market value of the Certificates since the Issuer or the Swap Counterparty may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Certificates may be less favourable than the then prevailing spreads on comparable Floating Rate Certificates tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Certificates. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Certificates.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description (the "General Description") does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of this Base Prospectus and, in relation to the Terms and Conditions of any particular Series (and/or Tranche, as the case may be) of Securities, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Securities shall be issued in a form eligible for resale pursuant to the United States Securities Act of 1933, in which event, in the case of listed Securities only and if appropriate, a Supplement to the Base Prospectus will be published.

The General Description constitutes a general description of the Programme for the purposes of article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the "**Prospectus Regulation**").

Words and expressions defined in the sections headed "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Warrants*", "*Terms and Conditions of the Certificates*" shall have the same meanings in this General Description.

Issuer:	SecurAsset S.A., a public limited liability company (*société anonyme*) whose activities are subject to the Securitisation Act 2004, was incorporated on 23 January 2009 and is authorised and supervised by the CSSF. The Issuer's registered office is located at 20, rue de la Poste, Luxembourg L-2346. The purpose and object of the Issuer pursuant to its articles of incorporation is to enter into, perform and serve as a vehicle for, any transactions permitted under the Securitisation Act 2004. The Issuer has no subsidiaries. All the shares in the Issuer are held by Stichting AssetSecur, a foundation duly incorporated under the laws of the Netherlands, having its registered office at Naritaweg 165 Telestone 8, 1043BW Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce in Amsterdam under number 34322925.
Guarantor (if applicable):	Securities may be guaranteed by BNPP or, in respect of Securities with a nominal amount (in the case of Notes), issue price (in the case of Warrants) or notional amount (in the case of Certificates) of at least €100,000 only, BNL, if specified in the applicable Final Terms. Please see Element B.18 of the Summary and the section of this Base Prospectus entitled "*Form of Guarantee*" for further details on the form of the Guarantee (if applicable).
Description:	Secured Note, Warrant and Certificate Programme. Shares will not be issued under this Base Prospectus.
Arranger:	BNP Paribas Arbitrage S.N.C.
Dealers:	BNP Paribas Arbitrage S.N.C., BNP Paribas and any other

	Dealers appointed in accordance with the Dealer Agreement.
Certain Restrictions:	Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription, Sale and Transfer Restrictions*").
Trustee:	BNP Paribas Trust Corporation UK Limited and any successor appointed pursuant to the relevant issue deed which incorporates master trust terms agreed between the Issuer and the Trustee (the "**Master Trust Terms**").
Issuing and Paying Agent, Principal Warrant and Certificate Agent, Registrar and Transfer Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Calculation Agent:	BNP Paribas Arbitrage S.N.C. or BNP Paribas Fortis SA/NV or BNP Paribas, as specified in the applicable Final Terms.
Paying Agents:	BNP Paribas Securities Services, Luxembourg Branch and/or any such additional or successor paying agent appointed in accordance with the applicable Conditions.
Warrant and Certificate Agents:	BNP Paribas Securities Services, Luxembourg Branch and/or any such additional or successor agent appointed in accordance with the Agency Agreement.
Custodian:	BNP Paribas Securities Services, Luxembourg Branch.
Account Bank:	BNP Paribas Securities Services, Luxembourg Branch (where specified in the applicable Final Terms).
Cash Manager:	BNP Paribas Securities Services, Luxembourg Branch (where specified in the applicable Final Terms).
Programme Size:	Up to €20,000,000,000 (or its equivalent in other currencies calculated in accordance with the Dealer Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Distribution:	Securities may be distributed by way of private or public placement.
Currencies:	Securities may be denominated in euro, sterling, U.S. dollars and, subject to compliance with any applicable laws and regulations, any other currency as may be agreed between the Issuer and the relevant Dealer(s) as indicated in the applicable Final Terms.
Redenomination:	The applicable Final Terms may provide that certain Securities may be redenominated in euro.

Maturities (Notes and Certificates): Any maturity as indicated in the applicable Final Terms subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price (Notes and Certificates): Notes or Certificates, as applicable, may be issued at an issue price (expressed either (i) as a percentage of the aggregate nominal amount, in the case of Notes, or of the aggregate notional amount outstanding, in the case of Certificates, or (ii) as an amount per Note of the relevant Specified Denomination) which is at par or at a discount to, or premium over, par (as specified in the applicable Final Terms).

Yield: The yield of the Securities is calculated as being the internal rate of return of the Securities, based on the Issue Price and all Interest Amounts and/or Premium Amounts payable in respect of the Securities.

Form of Securities: Each Series (and/or Tranche, as the case may be) of Notes specified in the applicable Final Terms will be either Bearer Notes (with or without interest coupons attached) or Registered Notes (without interest coupons attached) issued outside the United States in accordance with Regulation S.

Bearer Notes will on issue be represented by either a temporary global Note or a permanent global Note as specified in the applicable Final Terms. Temporary global Notes will be exchangeable either for (a) interests in a permanent global Note or (b) for Definitive Bearer Notes, as indicated in the applicable Final Terms. Permanent global Notes will be exchangeable for Definitive Bearer Notes in limited circumstances, including upon the occurrence of an Exchange Event, as described in "*Form of the Notes*". U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) or any successor rules substantially identical thereto (the "**TEFRA D Rules**") will apply to the Bearer Notes unless the Bearer Notes do not have a maturity of more than 365 days.

Registered Notes will on issue be represented by a Global Registered Note which will be exchangeable for Definitive Registered Notes, registered in the name of the owner of the principal and interest payable thereon, in certain circumstances set out in such Global Registered Note.

Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Each Series (and/or Tranche, as the case may be) of Warrants specified in the applicable Final Terms will be constituted by a global warrant, in accordance with Regulation S.

Clearing System Warrants will on issue be represented by a

Clearing System Global Warrant as specified in the applicable Final Terms. Registered Warrants will on issue be represented by a Registered Global Warrant.

Registered Global Warrants will not be exchangeable for Clearing System Global Warrants and vice versa.

Each Series (and/or Tranche, as the case may be) of Certificates specified in the applicable Final Terms will be constituted by a global certificate, in accordance with Regulation S.

Clearing System Certificates will on issue be represented by a Clearing System Global Certificate as specified in the applicable Final Terms. Registered Certificates will on issue be represented by a Registered Global Certificate.

Registered Global Certificates will not be exchangeable for Clearing System Global Certificates and vice versa.

Fixed Rate Notes and Fixed Rate Certificates:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption (if applicable) and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) as indicated in the applicable Final Terms.

Floating Rate Notes and Floating Rate Certificates:

Floating Rate Notes and Floating Rate Certificates will bear interest at a rate determined (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement in the form of either (a) a confirmation 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 or Certificates, as the case may be, of the relevant Series) or (b) the Master Agreement relating to foreign exchange and derivative transactions published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation; or (ii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

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

Interest on Floating Rate Notes will be payable, and will be calculated in accordance with the relevant provisions of Annex 1 (*Additional Terms and Conditions for Payouts*) as specified prior to issue in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of

	Floating Rate Notes and specified in the applicable Final Terms.
Index Linked Notes, Index Linked Warrants and Index Linked Certificates (together, "Index Linked Securities"):	Payments in respect of Index Linked Securities will be calculated by reference to one or more indices as specified in the applicable Final Terms. Index Linked Securities may be linked to, among other things, an equity index, a property index and/or a hybrid or multi-asset index (including one or more custom indices established, calculated and/or sponsored by BNP Paribas and/or its affiliates)(which such indices are more particularly described in the section of this Base Prospectus entitled "*Description of BNPP Indices*". Index Linked Securities may be subject to adjustment or cancellation (in the case of Index Linked Warrants) or early redemption (in the case of Index Linked Notes and Index Linked Certificates) 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 Swap Counterparty'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 certain adjustments may be made by the Calculation Agent. Payments may also be postponed.
Share Linked Notes, Share Linked Warrants and Share Linked Certificates (together, "Share Linked Securities"):	Payments in respect of Share Linked 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 agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. Share Linked Securities may also provide, in the case of Share Linked Notes or Share Linked Certificates, for redemption by physical delivery of the Entitlement as more fully set out in "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the Certificates*", as applicable, or, in the case of Share Linked Warrants, physical settlement, as more fully set out in "*Terms and Conditions of the Warrants*". Share Linked Securities may be subject to early redemption (in the case of Share Linked Notes and Share Linked Certificates) or cancellation (in the case of Share Linked Warrants) 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 or, in the case of GDRs and ADRs, Underlying Share (including Share or Underlying Share divisions or consolidations, extraordinary dividends and capital calls); de-listing of a Share or Underlying Share; insolvency, merger or nationalisation of a Share or Underlying Share issuer; or 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

	Swap Counterparty's (if any) or any of its affiliates' hedging arrangements, or if insolvency filings are made with respect to a Share or Underlying Share issuer. For the avoidance of doubt, Securities convertible into shares in the Issuer (or an entity belonging to the same group as the Issuer) will not be issued under this Base Prospectus.
Inflation Linked Notes, Inflation Linked Warrants and Inflation Linked Certificates (together, "Inflation Linked Securities"):	Payments in respect of Inflation Linked Securities will be calculated by reference to one or more inflation Indices as agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.
Commodity Linked Notes, Commodity Linked Warrants and Commodity Linked Certificates (together, "Commodity Linked Securities"):	Payments in respect of Commodity Linked Securities will be calculated by reference to one or more commodities and/or commodity indices as agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. Commodity Linked 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) or an index component disruption event or Index Adjustment Event in respect of a Commodity Index. Commodity Linked 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 Index Sponsor fails to calculate and announce the Commodity Index, or certain events (such as illegality or disruptions) occur with respect to the Swap Counterparty's (if any), or any of its respective affiliates', hedging arrangements.
Currency Linked Notes, Currency Linked Warrants and Currency Linked Certificates (together, "Currency Linked Securities"):	Payments in respect of Currency Linked Securities will be calculated by reference to one or more foreign exchange rates as agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.
Debt Linked Notes, Debt Linked Warrants and Debt Linked Certificates (together, "Debt Linked Securities"):	Payments in respect of Debt Linked Securities will be calculated by reference to one or more debt securities as specified in the applicable Final Terms. Debt Linked Notes and Debt Linked Certificates may also provide for settlement by physical delivery of the Entitlement.
Fund Linked Notes, Fund Linked Warrants and Fund Linked Certificates (together, "Fund Linked Securities"):	Payments in respect of Fund Linked Securities will be calculated by reference to units, interests or shares in a single fund or basket of funds on such terms as may be agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. Fund Linked Notes and Fund Linked Certificates

	may also provide for redemption by physical delivery of the Entitlement. Fund Linked Securities may be subject to adjustment (including as to valuation and fund substitutions), early redemption or cancellation, as applicable, or if certain corporate events (such as insolvency (or an 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 relevant Swap Counterparty's (if any) or any of its affiliates' hedging arrangements.
Credit Linked Notes and Credit Linked Certificates (together, "Credit Linked Securities"):	Notes and Certificates with respect to which payment is linked to the credit of a specified entity or entities will be issued on such terms as may be agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. If Conditions to Settlement are satisfied during the Notice Delivery Period, each Credit Linked Security will be redeemed by the payment of the Credit Event Cash Settlement Amount if Cash Settlement is specified in the applicable Final Terms, or by Delivery of the Deliverable Obligations comprising the Entitlement, if Physical Delivery is specified in the applicable Final Terms, or by the payment of the Auction Settlement Amount if Auction Settlement is specified in the applicable Final Terms (unless a Fallback Settlement Event occurs, in which case the Credit Linked Securities will be redeemed in accordance with the Fallback Settlement Method specified in the applicable Final Terms) as more fully set out in Annex 10 (*Additional Terms and Conditions for Credit Linked Securities*).
ETI Linked Notes, ETI Linked Warrants and ETI Linked Certificates (together, "ETI Linked Securities"):	Payments in respect of ETI Linked Securities will be calculated by reference to interests in one or more exchange traded instruments as specified in the applicable Final Terms. ETI Linked Securities may also provide for settlement by physical delivery of the Entitlement.
Underlying Interest Rate Linked Notes, Underlying Interest Rate Linked Warrants and Underlying Interest Rate Linked Certificates (together "Underlying Interest Rate Linked Securities"):	Payments in respect of Underlying Interest Rate Linked Securities will be calculated by reference to interests in one or more underlying interest or Constant Maturity Swap ("**CMS**") rates as specified in the applicable Final Terms.
Hybrid Notes, Hybrid Warrants and Hybrid Certificates (together, "Hybrid Securities"):	Payments in respect of Hybrid Securities will be calculated by reference to any combination of Underlying References as agreed between the Issuer and the relevant Dealer(s) as set out in the applicable Final Terms.

Physical Delivery Notes, Physical Delivery Warrants and Physical Delivery Certificates (together, "Physical Delivery Securities"):	Payments in respect of Physical Delivery Securities and any physical delivery of the Entitlement in respect of Physical Delivery Securities will be made in accordance with the terms and conditions of the relevant Securities, subject always to applicable securities laws.
Zero Coupon Notes:	Zero Coupon Notes will not bear interest (other than in the case of late payment).
Redemption and Cancellation:	The applicable Final Terms will indicate either that the Securities cannot, in the case of Notes and Certificates, be redeemed prior to their stated redemption date or, in the case of Warrants, be cancelled prior to their Expiration Date (other than (in the case of Notes) in specified instalments, if applicable, or for taxation reasons, if applicable, or (in the case of any Securities) following an Event of Default) or that such Securities (if Physical Delivery Notes, Physical Delivery Warrants or Physical Delivery Certificates) may, in the case of Notes and Certificates, be settled on redemption or, in the case of Warrants, be settled on the Settlement Date or otherwise by receipt by the holder of a cash amount and/or by physical delivery (save, in the case of any Guaranteed Notes, Guaranteed Warrants and Guaranteed Certificates, as provided in the applicable Guarantee) of the relevant Entitlement or that such Securities will be redeemable or exercised at the option of the Issuer and/or (in the case of Notes and Certificates) the relevant Noteholders or Certificateholders, as the case may be, upon giving not less than 30 nor more than 45 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Certificateholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as may be agreed between the Issuer and Dealer(s) as indicated in the applicable Final Terms, or that such Securities may be redeemed early following the optional termination of the relevant Swap Agreement by the Swap Counterparty. The Securities may also be redeemed prior to their stated maturity or cancelled prior to their stated Expiration Date, as applicable, in circumstances described in the Terms and Conditions. Where specified in the applicable Final Terms, the Notes may be redeemable in two or more instalments of such amounts and on such dates as indicated in the applicable Final Terms.
Compartment Assets:	Each Compartment will comprise a pool of Charged Assets (as defined below) of the Issuer separate from the pools of Charged Assets relating to other Compartments. Each Series may (if so stated in the applicable Final Terms) be secured by a charge on, or assignment in respect of rights under, certain bonds, notes, warrants, receivables or equity securities of any form, denomination, type or issuer, guarantees, units in funds, loans or any other financial obligations assigned to or assumed by the

Issuer or any other specified assets owned by the Issuer (the "**Compartment Assets**"), including, without limitation, any one or a combination of the following:

- common shares or stock;
- preference shares or stock;
- convertible common shares or stock;
- convertible preference shares or stock;
- American depositary receipts ("**ADRs**")
- global depositary receipts ("**GDRs**")
- warrants;
- any other type of asset which represents a share of an equity interest in an entity;
- bonds, notes, commercial paper, deposits or certificates issued by a corporate, bank or other financial institution, government, governmental agency, municipal entity or supranational entity whose interest and/or principal payments may be linked to the performance of any underlying factor;
- bonds, notes, commercial paper, deposits or certificates issued by a corporate, bank or other financial institution whose interest and/or principal payments may be linked to the creditworthiness of a single reference entity or a basket of reference entities;
- bonds or notes linked to the issuer's participation in a portion of one or more outstanding commercial loans;
- participation or rights in respect of one or more commercial loans;
- bonds (i) convertible, at the option of the holder or otherwise, into shares in the issuing company or (ii) exchangeable, at the option of the holder or otherwise, into shares in another specified company;
- bonds issued by a bank or institution that provides recourse to the issuing entity's assets as well as to a pool of mortgages or public sector assets protected from the insolvency of the issuing institution;
- covered bond collateral issued by a German mortgage bank or public sector bank;
- bonds, notes, commercial paper, deposits or certificates issued by a corporate, bank or other financial institution,

government, governmental agency, municipal entity or supranational entity not bearing interest, having a principal repayment obligation equal to the face amount of such bond, note, commercial paper, deposit or certificate;

- bonds, notes, commercial paper, deposits or certificates issued by a corporate, bank or other financial institution, government, governmental agency, municipal entity or supranational entity bearing a fixed or floating rate of interest, having a principal repayment obligation equal to the face amount of such bond, note, commercial paper, deposit or certificate;
- common shares or stock in a Collective Investment Scheme;
- preference shares or stock in a Collective Investment Scheme;
- units in a Collective Investment Scheme;
- any other type of asset which represents a share, interest or unit in a Collective Investment Scheme; or
- any cash standing to the credit of a managed account,

and funds held from time to time by the Custodian and/or the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable and/or the Registrar (each as defined herein) for payments due under the Securities of such Series (the "**Cash Assets**") and/or secured by an assignment of the Issuer's rights under an interest rate and/or currency exchange agreement or credit default swap agreement or total return swap agreement or other derivative transaction (the "**Swap Agreement**") (as defined in the Conditions) and/or a deposit agreement (the "**Deposit Agreement**") and/or a repurchase agreement (the "**Repurchase Agreement**") entered into in respect of the relevant Notes, Warrants or Certificates (each as described in more detail below and in the section of this Base Prospectus entitled "*Description of the Swap Agreement*", "*Description of the Deposit Agreement*" and "*Description of the Repurchase Agreement*" respectively), together with such additional security as may be described in the applicable Final Terms (together with the Compartment Assets, the Cash Assets, the Swap Agreement, the Deposit Agreement and the Repurchase Agreement, the "**Charged Assets**").

Charged Assets: The Charged Assets relating to a particular Series of Securities will have characteristics that demonstrate capacity to produce funds to service the payments due and payable on such Series of Securities.

(i) Related Agreements: In connection with the issue of any Series of Securities and the related Compartment, the board of directors of the Issuer may decide to enter into one or more Related Agreements, which may include, without limitation, any Swap Agreement, Deposit Agreement, Repurchase Agreement and/or credit support documents with respect to such agreements.

(ii) Swap Agreement: The Issuer's obligations under the Securities may be hedged through one or more swap agreements, with BNP Paribas, or BNP Paribas Fortis SA/NV, as specified in the applicable Final Terms. On transactions where a Swap Agreement is the only Charged Asset, such Swap Agreement may be modified to replicate the economic effect of a total return swap agreement so that the fair market value of the Collateral is always equal to the market value of Securities held by Holders of Securities other than the Swap Counterparty. A description of the principal terms of any swap agreement that may be entered into by the Issuer is set out in "*Description of the Swap Agreement*" below.

(iii) Deposit Agreement: If specified in the applicable Final Terms, some or all of the proceeds of the Securities received by the Issuer on the Issue Date may be deposited in a bank account or paid to the relevant counterparty pursuant to a deposit agreement entered into on the Issue Date between the Issuer and such entity as is specified in the applicable Final Terms. A description of the principal terms of any Deposit Agreement that may be entered into by the Issuer is set out in "*Description of the Deposit Agreement*".

(iv) Repurchase Agreement: If specified in the applicable Final Terms, the Issuer will enter into one or more repurchase agreements (each, a "**Repurchase Agreement**") with such entity as is specified in the applicable Final Terms (the "**Repo Counterparty**") pursuant to which the Issuer and the Repo Counterparty will enter into one or more transactions under which the Issuer will purchase bonds, notes, debt securities or other financial instruments which shall form Compartment Assets from the Repo Counterparty. The market value of the assets purchased by the Issuer will be set out in the Final Terms. In certain circumstances, the Repo Counterparty may be obliged to repurchase securities equivalent to those that are the subject of the transaction, as set out in the applicable Final Terms. A description of the principal terms of any Repurchase Agreement that may be entered into by the Issuer is set out in "*Description of the Repurchase Agreement*".

Denomination of Notes: Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) as indicated in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Withholding Tax:	All payments made by the Issuer or the Guarantor (if applicable) shall be made free and clear of any withholding or deduction on account of any tax or duty unless such withholding or deduction is required by law, including, without limitation, 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, official interpretations thereof, or any law implementing an intergovernmental approach thereto, in which case they will be made net of the required withholding or deduction.
Restrictions:	So long as any of the Securities remain outstanding, the Issuer will not, without the prior written consent of the Trustee, incur any indebtedness for moneys borrowed or raised other than in respect of Permitted Instruments or Permitted Indebtedness, engage in any activity other than certain activities related to the Securities or any Permitted Instrument or Permitted Indebtedness or consolidate or merge with any other person or issue any shares, all as more fully described in Condition 4 (*Restrictions*) of "*Terms and Conditions of the Notes*", Condition 3 (*Restrictions*) of "*Terms and Conditions of the Warrants*" or Condition 3 (*Restrictions*) of "*Terms and Conditions of the Certificates*", as applicable.
Rating:	The Securities may be rated or unrated, as specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold Securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing, approval and admission to trading:	Application has been made to the CSSF to approve this document as a base prospectus in its capacity as competent authority under the Prospectus Act 2005. In addition, application has been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. Securities may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Securities which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Securities are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Securities and each Guarantee (save where BNL is the

	Guarantor, in which case the Guarantee will be governed by Italian law) will be governed by English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Securities in the European Economic Area, France, Italy, Luxembourg, the Netherlands, the United Kingdom, Spain, Germany, Poland, Czech Republic, Belgium and the United States and such other restrictions as may be required in connection with the offering and sale of a particular Series (and/or Tranche, as the case may be) of Securities, see the section headed "*Subscription, Sale and Transfer Restrictions*" below.
United States Selling Restrictions:	Regulation S. TEFRA D. The Securities may not be offered, sold, resold, traded, pledged, redeemed, transferred, delivered or exercised, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person. Additional selling restrictions may apply as specified in the applicable Final Terms. U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) or any successor rules substantially identical thereto (the "**TEFRA D Rules**") will apply to the Bearer Notes unless the Bearer Notes do not have a maturity of more than 365 days.
The various categories of potential investors to which the securities are offered:	Offers may be made in Belgium, France, Germany, Italy, Luxembourg, Poland or Spain to any person (subject to applicable suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules). In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

(a) the SecurAsset base prospectus dated 6 February 2009 (the "**2009 Base Prospectus**"), the supplement to the 2009 Base Prospectus dated 20 May 2009 (the "**May 2009 Supplement**") and the supplement to the 2009 Base Prospectus dated 17 August 2009 (the "**August 2009 Supplement**") (the 2009 Base Prospectus, the May 2009 Supplement and the August 2009 Supplement together, the "**Supplemented 2009 Base Prospectus**");

(b) the SecurAsset base prospectus dated 3 February 2010 (the "**2010 Base Prospectus**") and the supplement to the 2010 Base Prospectus dated 31 August 2010 (the "**August 2010 Supplement**" and, together with the 2010 Base Prospectus, the "**Supplemented 2010 Base Prospectus**");

(c) the SecurAsset base prospectus dated 23 February 2011 (the "**February 2011 Base Prospectus**");

(d) the SecurAsset base prospectus dated 1 September 2011 (the "**September 2011 Base Prospectus**");

(e) the SecurAsset base prospectus dated 1 June 2012 (the "**First June 2012 Base Prospectus**");

(f) the SecurAsset base prospectus dated 29 June 2012 (the "**2012 Base Prospectus**"), the supplement to the 2012 Base Prospectus dated 18 October 2012 (the "**October 2012 Supplement**") and the supplement to the 2012 Base Prospectus dated 18 June 2013 (the "**June 2013 Supplement**") (the 2012 Base Prospectus, the October 2012 Supplement and the June 2013 Supplement together, the "**Supplemented 2012 Base Prospectus**");

(g) the SecurAsset base prospectus dated 27 November 2013 (the "**2013 Base Prospectus**") and the supplement to the 2013 Base Prospectus dated 23 April 2014 (the "**April 2014 Supplement**") (the 2013 Base Prospectus and the April 2014 Supplement together, the "**Supplemented 2013 Base Prospectus**");

(h) the SecurAsset base prospectus dated 27 November 2014 (the **"2014 Base Prospectus"**) and the supplement to the 2014 Base Prospectus dated 26 June 2015 (the **"June 2015 Supplement"**) (the 2014 Base Prospectus and the June 2015 Supplement together, the **"Supplemented 2014 Base Prospectus"**);

(i) SecurAsset's audited financial information, audit report and cash flow statement for the financial year ending 31 December 2013 (the "**2013 Annual Accounts**") and audited financial information, audit report and cash flow statement for the financial year ending 31 December 2014 (the "**2014 Annual Accounts**" and, together with the 2013 Annual Accounts, the "**Annual Accounts**");

(j) SecurAsset's unaudited financial information for the six months ending 30 June 2015 (the "**2015 Interim Accounts**") and the Issuer's unaudited financial information for the six months ending 30 June 2014 (the "**2014 Interim Accounts**" and together with the 2015 Interim Accounts, the "**Interim Accounts**");

(k) the audited consolidated financial statements of BNP Paribas as at, and for the years ended, 31 December 2013 and 31 December 2014 (the "**BNPP 2013 Financial Statements**" and the "**BNPP 2014 Financial Statements**", respectively), together with the respective statutory auditors' reports thereon, as contained in BNP Paribas' document

de référence et rapport financier annuel in English for 2013 (the "**BNPP 2013 Registration Document**") and in BNP Paribas' document de reference et rapport financier annuel in English for 2014 (the "**BNPP 2014 Registration Document**"), respectively;

(l) the first update to the BNPP 2014 Registration Document in English other than the sections entitled "Person responsible for the update to the Registration Document" and the "Table of Concordance" (the "**First Update to the BNPP 2014 Registration Document**");

(m) the second update to the BNPP 2014 Registration Document in English other than the sections entitled "Person responsible for the update to the Registration Document" and the "Table of Concordance" (the "**Second Update to the BNPP 2014 Registration Document**");

(n) the third update to the BNPP 2014 Registration Document in English other than the sections entitled "Person responsible for the update to the Registration Document" and 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**"), together with the information set out in paragraphs (k), (l) and (m), the "**BNP Paribas Disclosure**");

(o) the English translation of BNL's 2013 Annual Report (the "**BNL Annual Report 2013**") (which contains the audited consolidated financial statements of BNL as at, and for the year ending 31 December 2013);

(p) the English translation of the auditors' report on BNL's Annual Report 2013 (the "**BNL Auditors' Report 2013**");

(q) the English translation of BNL's 2014 Annual Report (the "**BNL Annual Report 2014**") (which contains the audited consolidated financial statements of BNL as at, and for the year ending 31 December 2014); and

(r) the English translation of the auditors' report on BNL's Annual Report 2014 (the "**BNL Auditors' Report 2014**").

save that to the extent that there is any inconsistency between (a) any statement in, or incorporated by reference in, this Base Prospectus by the documents listed above and (b) any other statement in, or incorporated by reference in, this Base Prospectus, the statements in (a) above will prevail.

This Base Prospectus, the Supplemented 2009 Base Prospectus, the Supplemented 2010 Base Prospectus, the February 2011 Base Prospectus, the September 2011 Base Prospectus, the First June 2012 Base Prospectus, the Supplemented 2012 Base Prospectus, the Supplemented 2013 Base Prospectus, the Supplemented 2014 Base Prospectus, the Annual Accounts, the Interim Accounts, the BNPP 2013 Registration Document, the BNPP 2014 Registration Document, the First Update to the BNPP 2014 Registration Document, the Second Update to the BNPP 2014 Registration Document, the Third Update to the BNPP 2014 Registration Document, the BNL Annual Report 2013, the BNL Auditors' Report 2013, the BNL Annual Report 2014, and the BNL Auditors' Report 2014 have been published and filed with the CSSF and shall be incorporated in, and form part of, this Base Prospectus save that any statement contained in any such document 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 is inconsistent with a statement contained in this Base Prospectus.

Any (i) documents incorporated by reference within and/or (ii) sections not listed in the cross-reference lists below in respect of the documents listed above in sub-paragraphs (a) to (r) are not incorporated by

reference in this Base Prospectus and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The information incorporated by reference above is available as follows:

Information Incorporated by Reference	**Reference**
SecurAsset ***The Supplemented 2009 Base Prospectus***	
Terms and Conditions of the Notes	Pages 104 - 267 of the 2009 Base Prospectus
Terms and Conditions of the Notes (addition to Condition 3(b) (Guaranteed Notes))	Page 16 of the May 2009 Supplement
Annexes 1 to 9 - Additional Terms and Conditions	Pages 158 - 219 of the 2009 Base Prospectus
Annex 10 – Additional Terms and Conditions for Credit Linked Securities	Pages 61 - 125 of the August 2009 Supplement
SecurAsset ***The Supplemented 2010 Base Prospectus***	
Terms and Conditions of the Notes	Pages 163 - 216 of the 2010 Base Prospectus
Terms and Conditions of the Notes (addition to Condition 3(b) (*Guaranteed Notes*))	Page 12 of the August 2009 Supplement
Terms and Conditions of the Warrants	Pages 217 - 258 of the 2010 Base Prospectus
Terms and Conditions of the Warrants (addition to Condition 2(b) (*Guaranteed Warrants*))	Page 13 of the August 2009 Supplement
Annexes 1 to 11 - Additional Terms and Conditions	Pages 259 – 400 of the 2010 Base Prospectus
SecurAsset ***The February 2011 Base Prospectus***	
Terms and Conditions of the Notes	Pages 172 - 232 of the February 2011 Base Prospectus
Terms and Conditions of the Warrants	Pages 233 - 281 of the February 2011 Base Prospectus
Annexes 1 to 10 - Additional Terms and Conditions	Pages 282 - 457 of the February 2011 Base Prospectus
SecurAsset ***The September 2011 Base Prospectus***	
Terms and Conditions of the Notes	Pages 190 - 251 of the September 2011 Base Prospectus
Terms and Conditions of the Warrants	Pages 252 - 302 of the September 2011 Base Prospectus
Annexes 1 to 10 - Additional Terms and Conditions	Pages 303 - 477 of the September 2011 Base Prospectus

Information Incorporated by Reference	Reference
SecurAsset ***The First June 2012 Base Prospectus***	
Terms and Conditions of the Notes	Pages 193 to 254 of the First June 2012 Base Prospectus
Terms and Conditions of the Warrants	Pages 255 to 305 of the First June 2012 Base Prospectus
Annexes 1 to 10 - Additional Terms and Conditions	Pages 306 to 482 of the First June 2012 Base Prospectus
SecurAsset ***The 2012 Supplemented Base Prospectus***	
Terms and Conditions of the Notes	Pages 261 to 323 of the 2012 Base Prospectus.
Terms and Conditions of the Notes (addition to Conditions 3(b) (*Guaranteed Notes*) and 7(e)(v), and amendment to Condition 8(e)(i))	Page 6 of the October 2012 Supplement
Terms and Conditions of the Warrants	Pages 324 to 375 of the 2012 Base Prospectus
Terms and Conditions of the Warrants (addition to Conditions 2(b) (*Guaranteed Warrants*) and 8(c), and amendment to Condition 9(e)(i))	Page 6 of the October 2012 Supplement
Terms and Conditions of the Certificates	Pages 376 to 439 of the 2012 Base Prospectus
Terms and Conditions of the Certificates (addition to Conditions 2(b) (*Guaranteed Certificates*) and 8(e),(v) and amendment to Condition 9(e)(i))	Pages 6 to 7 of the October 2012 Supplement
Annex 1 – Additional Terms and Conditions for Index Linked Securities	Pages 440 to 470 of the 2012 Base Prospectus
SecurAsset ***The 2013 Supplemented Base Prospectus***	
Terms and Conditions of the Notes	Pages 320 to 388 of the 2013 Base Prospectus
Terms and Conditions of the Notes (addition to Condition 5(b) (vi) (*Determination of Rate of Interest and Calculation of Interest Amount))*	Page 2 of the April 2014 Supplement
Terms and Conditions of the Warrants	Pages 389 to 442 of the 2013 Base Prospectus
Terms and Conditions of the Certificates	Pages 443 to 513 of the 2013 Base Prospectus
Terms and Conditions of the Certificates (addition to Condition 4(b)(vi) (*Determination of Rate of Interest and Calculation of Interest Amount*))	Page 2 of the April 2014 Supplement
Annexes 1 to 11 - Additional Terms and Conditions	Pages 514 to 762 of the 2013 Base Prospectus
Annex 1 (*Additional Terms and Conditions for Payouts)* (addition to Payout Condition 1.2(b)(i) (*SPS Reverse Convertible Securities*))	Page 2 of the April 2014 Supplement

Information Incorporated by Reference	**Reference**
Annex 2 (*Additional Terms and Conditions for Index Linked Securities*) (addition to Index Linked Conditions 4, 8(B)(1), 10 and 12)	Pages 2 to 3 of the April 2014 Supplement
Annex 3 (*Additional Terms and Conditions for Share Linked Securities*) (addition to Share Linked Condition 4 (*Knock-in Event and Knock-out Event*)	Page 3 of the April 2014 Supplement
Annex 8 (*Additional Terms and Conditions for Fund Linked Securities)* (addition to Fund Linked Condition 1 (*Definitions)*)	Pages 3 to 4 of the April 2014 Supplement
Annex 11 (*Additional Terms and Conditions for ETI Linked Securities)* (addition to ETI Linked Condition 1 (*Definitions*))	Pages 4 to 5 of the April 2014 Supplement
SecurAsset ***The 2014 Supplemented Base Prospectus***	
Terms and Conditions of the Notes	Pages 351 to 428 of the 2014 Base Prospectus
Terms and Conditions of the Notes (addition to Condition 7(l) (*Early Redemption Events*) and amendment to Condition 8(a)(i))	Pages 8 to 9 of the June 2015 Supplement
Terms and Conditions of the Warrants	Pages 429 to 487 of the 2014 Base Prospectus
Terms and Conditions of the Warrants (addition to Condition 8(c) (*Early Redemption Events*) and amendment to Condition 8(c)(ix) and Condition 9(a)(i))	Pages 10 to 11 of the June 2015 Supplement
Terms and Conditions of the Certificates	Pages 488 to 568 of the 2014 Base Prospectus
Terms and Conditions of the Certificates (addition to Condition 8(l) (*Early Redemption Events*) and amendment to Condition 8(l)(ix) and Condition 9(a)(i))	Pages 11 to 12 of the June 2015 Supplement
Annexes 1 to 11 - Additional Terms and Conditions	Pages 569 to 883 of the 2014 Base Prospectus
Annex 2 (*Additional Terms and Conditions for Index Linked Securities*) (amendment to Index Linked Condition 4 (*Definitions*))	Pages 12 to 14 of the June 2015 Supplement
SecurAsset ***2013 Annual Accounts***	
Combined Balance Sheet as at 31 December 2013	Page 2 of the 2013 Annual Accounts
Combined Profit and Loss Account for the period from 1 January 2013 to 31 December 2013	Page 3 of the 2013 Annual Accounts
Balance Sheets and Profit and Loss Accounts for the compartments	Pages 4 to 36 of the 2013 Annual Accounts
Notes to the Annual Accounts	Pages 37 to 74 of the 2013 Annual Accounts
Management Report	Pages 75 to 77 of the 2013 Annual Accounts

Information Incorporated by Reference	**Reference**
Responsibility Statement	Page 78 of the 2013 Annual Accounts
Corporate Governance Statement	Pages 79 to 81 of the 2013 Annual Accounts
Cash Flow Statement	Page 74 of the 2013 Annual Accounts
Independent Auditors Report	Pages 82 to 83 of the PDF of the 2013 Annual Accounts
SecurAsset ***2014 Annual Accounts***	
Combined Balance Sheet as at 31 December 2014	Pages 4 to 5 of the 2014 Annual Accounts
Combined Profit and Loss Account for the period from 1 January 2014 to 31 December 2014	Pages 6 to 7 of the 2014 Annual Accounts
Balance Sheets and Profit and Loss Accounts for the compartments	Pages 8 to 70 of the 2014 Annual Accounts
Notes to the Annual Accounts	Pages 71 to 174 of the 2014 Annual Accounts
Management Report	Pages 175 to 177 of the 2014 Annual Accounts
Responsibility Statement	Page 178 of the 2014 Annual Accounts
Corporate Governance Statement	Pages 179 to 181 of the 2014 Annual Accounts
Cash Flow Statement	Page 174 of the 2014 Annual Accounts
Independent Auditors Report	Pages 2 to 3 of the 2014 Annual Accounts
2014 Interim Accounts	
Combined Balance Sheet as at 30 June 2014	Page 2 of the 2014 Interim Accounts
Combined Profit and Loss Account for the period from 1 January 2014 to 30 June 2014	Page 3 of the 2014 Interim Accounts
Balance Sheets and Profit and Loss Accounts for the compartments	Pages 4 to 53 of the 2014 Interim Accounts
Notes to the Interim Accounts	Pages 54 to 107 of the 2014 Interim Accounts
Management Report	Pages 108 to 110 of the 2014 Interim Accounts
Responsibility Statement	Page 111 of the 2014 Interim Accounts
Corporate Governance Statement	Page 112 to 114 of the 2014 Interim Accounts
2015 Interim Accounts	
Combined Balance Sheet as at 30 June 2015	Pages 2-3 of the 2015 Interim Accounts
Combined Profit and Loss Account for the period from 1 January 2015 to 30 June 2015	Pages 4-5 of the 2015 Interim Accounts
Balance Sheets and Profit and Loss Accounts for the compartments	Pages 6 to 84 of the 2015 Interim Accounts
Notes to the Interim Accounts	Pages 85 to 205 of the 2015 Interim Accounts
Management Report	Pages 206 to 208 of the 2015 Interim Accounts
Responsibility Statement	Page 209 of the 2015 Interim Accounts

Information Incorporated by Reference	**Reference**
Corporate Governance Statement	Page 210 to 212 of the 2015 Interim Accounts
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 to 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
Legal Proceedings	Pages 219 to 220 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	
Extracts of Annex IV of the European Regulation 809/2004/EC of 29 April 2004	
4. Risk Factors	
4.1. Prominent disclosure of risk factors that may affect the Guarantor's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 245 to 364 of the BNPP 2014 Registration Document
5 Information about the Guarantor	
5.1. History and development of the Guarantor	Page 5 of the BNPP 2014 Registration Document
5.1.1. The legal and commercial name of the Guarantor	Page 487 of the BNPP 2014 Registration Document
5.1.2. The place of registration of the Guarantor and its registration number;	Page 487 of the BNPP 2014 Registration Document
5.1.3. The date of incorporation and the length of life of the Guarantor, except where indefinite;	Page 487 of the BNPP 2014 Registration Document
5.1.4. - the domicile and legal form of the Guarantor, - the legislation under which the Guarantor operates,	Pages 487 and 506 (back cover) of the BNPP 2014 Registration Document

Information Incorporated by Reference	Reference
- its country of incorporation, and - the address and telephone number of its registered office (or principal place of business if different from its registered office).	
5.1.5. Any recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.	Page 129 of the BNPP 2014 Registration Document
6. Business Overview	
6.1.1. A brief description of - the Guarantor'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
6.1.2. 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
6.1.3. A brief description of the principal markets in which the Guarantor competes.	Page 6 to 15; 168 to 171 and 480 to 486 of the BNPP 2014 Registration Document
6.1.4. The basis for any statements in the registration document made by the Guarantor regarding its competitive position.	Pages 6 to 15 of the BNPP 2014 Registration Document
7. Organisational Structure	
7.1. If the Guarantor is part of a group, a brief description of the group and of the Guarantor's position within it.	Page 4 of the BNPP 2014 Registration Document
7.2. If the Guarantor 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
9. Profit Forecasts or Estimates	
9.1. A statement setting out the principal assumptions upon which the Guarantor 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.	N/A
9.2. A report prepared by independent accountants or	N/A

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.	
9.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	N/A
10. Administrative, Management, and Supervisory Bodies	
10.1. Names, business addresses and functions in the Guarantor of the members of the administrative, management or supervisory bodies, and an indication of the principal activities performed by them outside the Guarantor where these are significant with respect to that Guarantor: (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
10.2. 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 stated.	Pages 45 to 73 and 77 of the BNPP 2014 Registration Document

Information Incorporated by Reference	**Reference**
In the event that there are no such conflicts, make a statement to that effect.	
12. Major Shareholders	
12.1. To the extent known to the Guarantor, state whether the Guarantor 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 and 17 of the BNPP 2014 Registration Document
12.2. A description of any arrangements, known to the Guarantor, the operation of which may at a subsequent date result in a change in control of the Guarantor.	Page 17 of the BNPP 2014 Registration Document
13. Financial Information Concerning The Issuer's Assets And Liabilities, Financial Position And Profits And Losses	
13.6 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Pages 167, 168, 219 and 220 of the BNPP 2014 Registration Document
2014 BNPP 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 2014 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 2014 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 2014 Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 243 to 382 of the BNPP 2014 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

Information Incorporated by Reference	Reference
	Registration Document
Additional Information	Pages 68 to 81 of the First Update to the BNPP 2014 Registration Document
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
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

Information Incorporated by Reference	Reference
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
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
BNL ***Annual Report 2013 for BNL***	
Corporate governance	Pages 64 to 70 of the Annual Report 2013
Consolidated balance sheet	Pages 90 to 91 of the Annual Report 2013
Consolidated income statement	Page 92 of the Annual Report 2013
Statement of comprehensive income	Page 93 of the Annual Report 2013

Information Incorporated by Reference	**Reference**
Statement of changes in consolidated shareholders' equity	Pages 94 to 95 of the Annual Report 2013
Consolidated cash flow statement	Pages 96 to 97 of the Annual Report 2013
Consolidated explanatory notes	Pages 98 to 372 of the Annual Report 2013
Part A – Accounting policies	Pages 99 to 131 of the Annual Report 2013
Part B – Information on the consolidated balance sheet	Pages 132 to 196 of the Annual Report 2013
Part C – Information on the consolidated income statement	Pages 197 to 226 of the Annual Report 2013
Part D – Comprehensive Income	Pages 227 to 228 of the Annual Report 2013
Part E – Information on risks and related hedging policies	Pages 229 to 343 of the Annual Report 2013
Part F – Information on consolidated equity	Pages 344 to 354 of the Annual Report 2013
Part G – Business combinations	Pages 355 to 356 of the Annual Report 2013
Part H – Related party transactions	Pages 357 to 363 of the Annual Report 2013
Part I – Payment agreements based on equity Instruments	Pages 364 to 365 of the Annual Report 2013
Part L – Segment reporting	Pages 366 to 372 of the Annual Report 2013
Auditors' Report 2013 for BNL	
Entire document	Pages 1 to 2 of the Auditors' Report 2013
BNL ***Annual Report 2014 for BNL***	
Corporate governance	Pages 69 to 74 of the Annual Report 2014
Consolidated balance sheet	Pages 99 to 100 of the Annual Report 2014
Consolidated income statement	Page 101 of the Annual Report 2014
Statement of comprehensive income	Page 102 of the Annual Report 2014
Statement of changes in consolidated shareholders' equity	Pages 103 to 104 of the Annual Report 2014
Consolidated cash flow statement	Pages 105 to 106 of the Annual Report 2014
Consolidated explanatory notes	Pages 107 to 376 of the Annual Report 2014
Part A – Accounting policies	Pages 108 to 138 of the Annual Report 2014
Part B – Information on the consolidated balance sheet	Pages 139 to 199 of the Annual Report 2014
Part C – Information on the consolidated income statement	Pages 200 to 228 of the Annual Report 2014
Part D – Comprehensive Income	Pages 229 to 230 of the Annual Report 2014

Information Incorporated by Reference	Reference
Part E – Information on risks and related hedging policies	Pages 231 to 344 of the Annual Report 2014
Part F – Information on consolidated equity	Pages 345 to 357 of the Annual Report 2014
Part G – Business combinations	Pages 358 to 361 of the Annual Report 2014
Part H – Related party transactions	Pages 362 to 368 of the Annual Report 2014
Part I – Payment agreements based on equity Instruments	Pages 369 to 370 of the Annual Report 2014
Part L – Segment reporting	Pages 371 to 376 of the Annual Report 2014
Auditors' Report 2014 for BNL	
Entire document	Pages 1 to 2 of the Auditors' Report 2014

The documents constituting the BNP Paribas Disclosure will be available for viewing on the website of BNPP (www.invest.bnpparibas.com). In addition, this Base Prospectus, the documents incorporated by reference herein and any Final Terms relating to Securities admitted to trading on the Luxembourg Stock Exchange's regulated market as aforementioned will be published on the Internet site of the Luxembourg Stock Exchange at www.bourse.lu.

Following the publication of this Base Prospectus, a Base Prospectus Supplement may be prepared by the Issuer and approved by the CSSF in accordance with article 16 of the Prospectus Directive and article 13 of the Prospectus Act 2005. Statements contained in any such Supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of the Supplemented 2014 Base Prospectus, Supplemented 2013 Base Prospectus, the Supplemented 2012 Base Prospectus, the First June 2012 Base Prospectus, the September 2011 Base Prospectus, the February 2011 Base Prospectus, the Supplemented 2010 Base Prospectus, the Supplemented 2009 Base Prospectus, the Annual Accounts, the Interim Accounts, the BNPP 2013 Registration Document, the first Update to the BNPP 2013 Registration Document, the Second Update to the BNPP 2013 Registration Document, the Third Update to the BNPP 2013 Registration Document, the BNPP 2014 Registration Document, the First Update to the BNPP 2014 Registration Document, the Second Update to the BNPP 2014 Registration Document, the Third Update to the BNPP 2014 Registration Document, the BNL Annual Report 2013, the BNL Auditor's Report 2013, the BNL Annual Report 2014, and the BNL Auditors' Report 2014 can be obtained from the specified office of the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable (each defined below), at the address given at the end of this Base Prospectus. Copies of the Supplemented 2014 Base Prospectus, Supplemented 2013 Base Prospectus, the Supplemented 2012 Base Prospectus, the First June 2012 Base Prospectus, the September 2011 Base Prospectus, the February 2011 Base Prospectus, the Supplemented 2010 Base Prospectus, the Supplemented 2009 Base Prospectus, the Annual Accounts, the BNPP 2013 Registration Document, the BNPP 2014 Registration Document, the BNL Annual Report 2013, the BNL Auditor's Report 2013, the BNL Annual Report 2014, and the BNL Auditors' Report 2014 are available on the Luxembourg Stock Exchange website at www.bourse.lu. The BNPP 2013 Registration Document and the BNPP 2014 Registration Document will be available for viewing on the website of BNPP (www.invest.bnpparibas.com).

The BNL Annual Report 2014, the BNL Auditors' Report 2014, the BNL Annual Report 2013, the BNL Auditors' Report 2013 each constitute a free courtesy translation of the original Italian text into English. BNL accepts responsibility in respect of the correct translation of these documents.

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 to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Securities.

For the avoidance of doubt, the content of the websites referenced in this section "*Documents Incorporated By Reference*" do not form part of this Base Prospectus.

DESCRIPTION OF THE CHARGED ASSETS - PART I - GENERAL

The Issuer will meet its obligations to pay the relevant amounts it is due to pay in respect of the Securities using the payments it receives from the obligors under the Charged Assets (including the Compartment Assets) specified in the Final Terms for the relevant Series. The Issuer will also grant security over the Charged Assets in the manner set out in the Conditions specified as applicable in the applicable Final Terms.

The specific obligors under the Charged Assets will be specified in the applicable Final Terms however such obligors will be one or more corporate, bank or other financial institution, government, governmental agency, trust, fund, municipal entity, sovereign or supranational entity provided that such obligors have securities already admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market or are specified in the section "*Description of the Charged Assets – Part III – Description of the Deposit Agreement*". Where the Charged Assets are equity securities or debt securities and specified as "Reference Securities" in the applicable Final Terms, such securities shall be traded on a regulated or equivalent market.

DESCRIPTION OF THE CHARGED ASSETS - PART II - DESCRIPTION OF THE SWAP AGREEMENT

The following description of the Swap Agreement which the Issuer may enter into for each Series should be read in conjunction with the Final Terms for each Series and the applicable Charged Asset Description and together this description, and the applicable Charged Asset Description and such Final Terms consists of a summary of certain provisions of such Swap Agreement which is qualified in its entirety by reference to the detailed provisions of such Swap Agreement for each specific Series. The following summary does not purport to be complete, and prospective investors must refer to the applicable Final Terms and the relevant Swap Agreement for detailed information regarding the relevant Swap Agreement.

Payments under the Swap Agreement

If so specified in the applicable Final Terms, one or both of BNP Paribas and BNP Paribas Fortis SA/NV may enter into one or more swap agreements with the Issuer in its capacity as swap counterparty (the "**Swap Counterparty**") pursuant to the terms of a 2002 ISDA Master Agreement (the "**Master Agreement**") and a Schedule and confirmation thereto) (each such agreement, a "**Swap Agreement**").

Each Swap Agreement will be entered into in order to allow the Issuer to exchange certain cashflows received by, or to the order of, the Issuer in respect of the issue of the relevant Securities, the Compartment Assets (if any), any Deposit Agreement, any Repurchase Agreement and/or the proceeds of the issue of the relevant Series of Securities or from any other assets of the Issuer relating to that Series of Securities for amounts needed by the Issuer to meet its obligations under the Securities for that Series and any related transactions or will be a credit derivative transaction.

The payments due to be made by the Issuer and the Swap Counterparty in respect of a Swap Agreement are described in Description of Charged Assets - Part V - Charged Asset Structures and the applicable Charged Asset Structure will be set out in the Final Terms for a particular Series, together with any information which is unknown relating thereto as at the date of this Base Prospectus.

Termination of Swap Agreement

The Swap Agreement will terminate on the final date on which a payment may be due thereunder (the "**Scheduled Swap Termination Date**") unless terminated earlier in accordance with the terms thereof.

Early Termination

Termination of any Swap Agreement prior to the Scheduled Swap Termination Date will occur in limited circumstances, including, without limitation:

(a) payment defaults by the Issuer or the Swap Counterparty under such Swap Agreement;

(b) breach by the Issuer of any of its obligations under the Trust Deed or Agency Agreement;

(c) bankruptcy events relating to the Issuer or the Swap Counterparty;

(d) payment defaults by the Issuer or the Deposit Counterparty under the Deposit Agreement (where applicable);

(e) the early redemption or an event of default of the Series in respect of which the Swap Agreement has been entered into, including as a result of Increased Cost Hedging or Hedging Disruption (to the extent applicable to the Series) (each as defined in "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Warrants*" or "*Terms and Conditions of the Certificates*", as applicable and the relevant Annexes thereto); and

(f) tax events relating to the Issuer or the relevant Swap Counterparty.

On an early termination of any Swap Agreement, an amount may be payable either to or by the Issuer in accordance with the terms of the relevant Swap Agreement. Such termination payment, unless otherwise set out in the relevant Swap Agreement, will be an amount payable equal to (a) the sum of (i) the close out amount and (ii) the Unpaid Amounts owing to the non-defaulting (or non-affected) party less (b) the Unpaid Amounts owing to the defaulting (or affected) party. If the amount is positive, the defaulting (or affected) party will pay it to the non-defaulting (or non-affected) party; if it is negative, the non-defaulting (or non-affected) party will pay the absolute value of that amount to the defaulting (or affected) party. In circumstances where both parties are affected parties, both parties will determine their close out amounts and the amount referred to in (a)(i) will be one half of the difference between the higher and lower of the close out amounts calculated. In summary, the close out amount is the amount of losses or costs (expressed as a positive number) incurred or the gains (expressed as a negative number) or realised by the non-defaulting (or non-affected) party in replacing, or in providing for the non-defaulting (or non-affected) party the economic equivalent of the material terms of the terminated transaction and the option rights of the parties in respect of the relevant terminated transaction, ignoring for this purpose any Unpaid Amounts, as determined by the non-defaulting (or non-affected) party in good faith, in accordance with the relevant provisions of the Master Agreement.

"**Unpaid Amounts**" as used in the above paragraph means, with respect to the date on which the Swap Agreement is terminated early (the "**Early Termination Date**"), the aggregate of (a) the amounts that become payable under the terminated transactions (or would have become payable but for the condition precedent contained in the Swap Agreement not being satisfied or the application of provisions relating to deferral of payments to any party) and which remain unpaid as at such Early Termination Date, (b) in respect of each terminated transaction which was required to be settled by delivery (or would have been settled by delivery but for the condition precedent contained in the Swap Agreement not being satisfied or the application of provisions relating to deferral of deliveries) which was not so settled, an amount equal to the fair market value of that which was required to be delivered and (c) if the Early Termination Date results from an event of default, a credit event upon merger event or an additional termination event, any termination payment due prior to such Early Termination Date which remains unpaid as of such Early Termination Date, in each case together with any amount of interest accrued in accordance with the terms of the Swap Agreement.

Where the relevant terms and conditions of the Securities refer to the "Early Termination Amount (as defined in the Swap Agreement)" such amount will be calculated in a manner consistent with the methodology set out above.

Where a Delayed Redemption Event has occurred and the relevant event would also cause a termination of the Swap Agreement, in certain circumstances, the transaction constituted by the Swap Agreement may be split into two or more transactions, one of which will relate, *inter alia*, to the payment of interest amounts from a Deposit Agreement or from the relevant Reference Securities, as applicable, from the Issuer to the Swap Counterparty (a "**Continuing Interest Rate Swap Transaction**") and only the transaction(s) other than the Continuing Interest Rate Swap Transaction will terminate prior to the Scheduled Swap Termination Date and the parties will continue to perform their obligations with respect to the Continuing Interest Rate Swap Transaction notwithstanding the occurrence of a Delayed Redemption Event. In such circumstances, only the transaction(s) other than the Continuing Interest Rate Swap Transaction will be terminated in connection with the relevant event and taken into account in the determination of the relevant Early Termination Amount (as defined in the Swap Agreement).

"**Delayed Redemption Event**" means an event which has led to the application of one or more of the following provisions in the Terms and Conditions of the Notes (including the additional terms and conditions of the Notes set out in the Annexes): Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event; Delayed Redemption on Occurrence of

Index Adjustment Event; Delayed Redemption on Occurrence of Custom Index Adjustment Event; Delayed Redemption on Occurrence of Extraordinary Event; Delayed Redemption on Occurrence of Debt Security Redemption Event; Delayed Redemption on the Occurrence of an Extraordinary ETI Event; and/or Delayed Redemption on Occurrence of Disruption Event.

Upon an early termination of a Swap Agreement, there is no assurance that any termination payment payable by the Swap Counterparty to the Issuer will be sufficient to repay the principal amount due to be paid in respect of the Notes and/or to pay any amounts that are due in respect of the Securities.

If the Issuer fails to perform any of its obligations under the Swap Agreement, this could lead to an Event of Default as defined in (a) Condition 11(a)(ii) where the Securities are Notes, whereupon the provisions of Conditions 11 and 12 of the Notes will apply, (b) Condition 12(a)(ii) where the Securities are Certificates, whereupon Conditions 12 and 14 of the Certificates will apply or (c) Condition 11(a)(ii) where the Securities are Warrants, whereupon the provisions of Conditions 11 and 13 of the Warrants will apply.

Collateralisation

The Swap Counterparty may be required to provide collateralisation in respect of its obligations under the relevant Swap Agreement. Collateralisation may be provided: (a) under a 1995 ISDA Credit Support Annex (Transfer – English law) (a "**Credit Support Annex**"); (b) a 1995 ISDA Credit Support Deed (Security Interest – English law) (a "**Credit Support Deed**") or (c) by the deposit of Swap Counterparty Collateral (as defined below) in an account (the "**Pledged Account**") in the name of the Swap Counterparty secured in favour of the Issuer by a pledge or such other security interest governed by the law of such jurisdiction as specified in the applicable Final Terms (a "**Pledge**"). The amount of any collateralisation and the circumstances in which it is payable or deliverable will be set out in the Credit Support Structure specified as being applicable in the applicable Final Terms. The custodian of Swap Counterparty Collateral posted under a Credit Support Annex or Credit Support Deed may be the Custodian or such other bank or institution as specified in the applicable Final Terms. Any Swap Counterparty Collateral posted pursuant to a Credit Support Annex and/or any rights of the Issuer under any Credit Support Deed will be secured by a charge on such Swap Counterparty Collateral or an assignment of such rights in favour of the Trustee for the benefit of the relevant Holders of Securities. It will be a term of the Credit Support Annex that the Swap Counterparty will be entitled to substitute Swap Counterparty Collateral (as defined below) held under the relevant Credit Support Annex without the consent of the Issuer provided any replacement Swap Counterparty Collateral has a market value (as determined by the valuation agent under the Credit Support Annex) equal to the value of the Swap Counterparty Collateral which has been substituted and meets any other criteria specified in the Credit Support Annex. Under the Credit Support Deed, the Swap Counterparty is entitled to substitute Swap Counterparty Collateral with the consent of the Issuer provided any replacement Swap Counterparty Collateral has a market value (as determined by the valuation agent under the Credit Support Deed) equal to the value of the Swap Counterparty Collateral which has been substituted and meets any other criteria specified in the Credit Support Deed. The Trustee is not responsible for monitoring the market value of the Swap Counterparty Collateral or any replacement Swap Counterparty Collateral, and is entitled to rely on certificates of the valuation agent or Swap Counterparty without further investigation or enquiry. Under the Pledge, the Swap Counterparty is entitled to substitute Swap Counterparty Collateral with the consent of the Issuer provided any replacement Swap Counterparty Collateral has a market value (as determined by the valuation agent under the Pledge) equal to the value of the Swap Counterparty Collateral which has been substituted and meets any other criteria specified in the Pledge.

The collateral provided by the Swap Counterparty under the Credit Support Annex, Credit Support Deed or Pledge (the "**Swap Counterparty Collateral**"), will consist of one or more of: (a) bonds or notes issued or guaranteed by the government of (i) Canada, France, Germany, Italy, Japan, the United Kingdom or the United States of America; or (ii) a country within the Euro-zone; (b) shares, units or other interests in a UCITS Fund; (c) any securities rated AAA/AAA/Aaa by one or more of Standard & Poor's Credit Market

Services Europe Limited ("**S&P**") or Fitch Ratings Limited ("**Fitch**") or Moody's Investors Service Ltd. ("**Moody's**") (including, without limitation, government bonds, corporate bonds, asset backed securities, Pfandbriefe and covered bonds); (d) cash denominated either in euro or sterling or, if not denominated in either euro or sterling, then denominated in the currency specified in the applicable Final Terms and/or (e) such other assets specified in the applicable Final Terms.

Each of S&P, Fitch and Moody's is a credit rating agency established and operating in the European Community prior to 7 June 2010 and is registered in accordance with the CRA Regulation pursuant to the list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu).

Substitution of Swap Counterparty Collateral by the Swap Counterparty under a Credit Support Annex or in respect of the pledged account will be permitted as set out in Condition 8(g) (*Compartment Assets substitution under a Credit Support Annex, Credit Support Deed or Pledge*) of "*Terms and Conditions of the Notes*", Condition 9(g) (*Compartment Assets substitution under a Credit Support Annex, Credit Support Deed or Pledge*) of "*Terms and Conditions of the Warrants*" and Condition 9(g) (*Compartment Assets substitution under a Credit Support Annex, Credit Support Deed or Pledge*) of "*Terms and Conditions of the Certificates*". Substitution of Swap Counterparty Collateral by the Swap Counterparty under a Credit Support Deed will be permitted as set out in Condition 8(g) (*Compartment Assets substitution under a Credit Support Annex, Credit Support Deed or Pledge*) of "*Terms and Conditions of the Notes*", Condition 9(g) (*Compartment Assets substitution under a Credit Support Annex or Credit Support Deed*) of "*Terms and Conditions of the Warrants*" and Condition 9(g) (*Compartment Assets substitution under a Credit Support Annex or Credit Support Deed*) of "*Terms and Conditions of the Certificates*" and in the following paragraph.

If a Credit Support Deed is entered into, under such Credit Support Deed the Swap Counterparty will post Swap Counterparty Collateral for its obligations under the Swap Agreement and grant English law governed security over such Swap Counterparty Collateral in favour of the Issuer. The amount of credit support to be provided by the Swap Counterparty under a Credit Support Annex or Credit Support Deed will be adjusted on the Swap Agreement Valuation Dates (as defined below) specified in the applicable Final Terms in the manner set out in the applicable Credit Support Structure. Subject to the provisions of the Credit Support Annex or Credit Support Deed, the Issuer will pay all cash, securities or other property it receives in respect of the Swap Counterparty Collateral to the Swap Counterparty. On any Business Day, the Swap Counterparty, pursuant to the terms of the Credit Support Deed, may give notice to the Issuer that it wishes to transfer new Swap Counterparty Collateral to the Issuer in exchange for some or all of the Swap Counterparty Collateral held by, or previously transferred to, the Issuer. On the Business Day immediately following such request (provided that where consent is required from the Issuer, such consent is given), the Issuer will be obliged to transfer collateral (the "**Exchanged Securities**") of the same type, nominal value and amount as those requested by the Swap Counterparty against receipt from the Swap Counterparty of new Swap Counterparty Collateral with a market value (as of the date of such transfer) as close as practicable to, but in any event not less than, as determined by the Credit Support Valuation Agent, the market value (on the previous valuation date under the Swap Agreement) of the Exchanged Securities.

If a Pledge is entered into which is governed by Luxembourg law (as specified in the applicable Final Terms), under such Pledge the Swap Counterparty will hold Swap Counterparty Collateral for its obligations under the Swap Agreement in an account in the name of the Swap Counterparty and will grant security governed by Luxembourg law (particularly the law of 5 August 2005 on financial collateral arrangements as amended (*loi du 5 août 2005 sur les contrats de garantie financière comme modifée*)) over such Swap Counterparty Collateral (including all amounts received by or payable to the Swap Counterparty in respect of any present and future assets whatsoever standing now and/or in the future to the credit of the Pledged Account and any claim to the credit balance thereof) in favour of the Issuer as pledgee.

"**Euro-zone**" means the region comprised of Member States of the European Union that adopt the euro in accordance with the Treaty on the Functioning of the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Treaty of Amsterdam (2 October 1997) and the Treaty of Nice (26 February 2001).

"**UCITS Fund**" means an investment fund that qualifies as an undertaking for collective investment in transferable securities within the scope of Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as such directive is amended, superseded and replaced from time to time.

"**MtM Value**" means, with respect to a Swap Agreement Valuation Date under the Credit Support Deed or Credit Support Annex, an amount determined by the Credit Support Valuation Agent in its sole discretion as the amount which would be payable by the Swap Counterparty in respect of the early termination of the Swap Agreement on such Swap Agreement Valuation Date or, as the case may be, where Credit Support Structure 3 is applicable and Issuer may be obliged to provide Issuer Posted Collateral, the amount which would be payable to the Swap Counterparty in respect of the early termination of the Swap Agreement on such Swap Agreement Valuation Date.

For the avoidance of doubt, if Credit Support Structure 3 is applicable, the Issuer may also be required to provide collateralisation in respect of its obligations under the relevant Swap Agreement under any Credit Support Annex or Credit Support Deed entered into with the Swap Counterparty so that either the Issuer or the Swap Counterparty or both of such parties may be required to provide collateralisation for the their respective obligations under the relevant Swap Agreement.

Where Credit Support Structure 3 is applicable the amount of any collateralisation by the Issuer will be set out in the applicable Final Terms provided that the collateral to be posted by the Issuer will be the Reference Securities or cash in respect of the relevant Securities to which the Swap Agreement relates (the "**Issuer Posted Collateral**") and provided further that the Issuer shall not be required to post a principal amount of collateral greater than the principal amount of Reference Securities or cash acquired by the Issuer in respect of the relevant Series to which the Swap Agreement relates or, at the relevant time, then held by the Issuer.

Where the Issuer is required to deliver Issuer Posted Collateral to the Swap Counterparty under a Credit Support Annex or Credit Support Deed, the security granted over the relevant Charged Assets in favour of the Trustee will automatically be released without requiring the consent of the Trustee. Where the Swap Counterparty is obliged under the terms of the Credit Support Annex or Credit Support Deed to pay or deliver cash or securities (which will be equivalent to those securities originally posted by the Issuer) by way of a return amount, such cash or securities will become subject to the security granted in favour of the Trustee by the Issuer in respect of the relevant Series.

If a Credit Support Deed is entered into, under such Credit Support Deed the Issuer will post Issuer Posted Collateral for its obligations under the Swap Agreement and grant English law governed security over such Issuer Posted Collateral in favour of the Swap Counterparty. If a Credit Support Annex is entered into, under such Credit Support Annex the Issuer will post Issuer Posted Collateral for its obligations under the Swap Agreement and will do so by transferring title to such Issuer Posted Collateral under the terms of the Credit Support Annex.

The amount of credit support to be provided by the Issuer under a Credit Support Annex or Credit Support Deed will be adjusted on the Swap Agreement Valuation Dates (as defined below) specified in the applicable Final Terms in the manner set out in the applicable Credit Support Structure. Subject to the provisions of the Credit Support Deed or the Credit Support Annex, as the case may be, the Swap

Counterparty will pay all cash, securities or other property it receives in respect of the Issuer Posted Collateral to the Issuer.

Transactions where a Swap Agreement is the only Charged Asset

In relation to a Series of Securities where a Swap Agreement is the only Charged Asset and credit support is required to be provided by the Swap Counterparty, such Swap Agreement may be modified to replicate the economic effect of the a total return swap agreement so that the fair market value of the Swap Counterparty Collateral is always equal to the market value (or a proportion of such market value) of Securities held by Holders of Securities other than the Swap Counterparty.

In such circumstances, where the Swap Counterparty (or its affiliates) purchase Securities and wish to reduce the amount of Swap Counterparty Collateral posted, they are required to notify the Issuer and the Trustee of their holding of such Securities, and the Swap Counterparty Collateral posted under the Credit Support Annex, Credit Support Deed or Pledge would be reduced so that the fair market value of the Swap Counterparty Collateral would be equal to the fair market value (or the applicable proportion of such market value) of the Securities held by Holders of Securities other than the Swap Counterparty. Where the Swap Counterparty (or its affiliates) purchases Securities, it may deliver such Securities to the Issuer for cancellation.

Upon the occurrence of an Event of Default under the Securities or early termination of the Swap Agreement, the Swap Counterparty (or its affiliates) is obliged to deliver the Securities of such Series held by it to the Issuer. Upon downgrade of the rating of the Swap Counterparty (or, BNP Paribas, if the Swap Counterparty is BNP Paribas Fortis SA/NV) below the level specified in the relevant Swap Agreement, any Securities held by the Swap Counterparty (or its affiliates) will be transferred to an account over which security is granted in favour of the Issuer.

Upon the occurrence of an Automatic Exercise Event in respect of the relevant Series of Warrants, to the extent that Warrants held by the Swap Counterparty (or its affiliates) have not been delivered to the Issuer for cancellation, the Swap Counterparty is obliged to pay the Cash Settlement Amount in respect of all the unexercised Warrants of such Series (including those held by the Swap Counterparty or its affiliates).

Taxation

Neither the Issuer nor the Swap Counterparty is obliged under the Swap Agreement to gross up any payment to be made under the Swap Agreement if withholding taxes are imposed. However, imposition of such withholding taxes may lead to the early termination of the relevant Swap Agreement.

Exclusivity

The Issuer has agreed that it shall only enter into a Swap Agreement where BNP Paribas, BNP Paribas Arbitrage S.N.C. or any member of the Group is the counterparty, unless otherwise agreed by BNP Paribas Arbitrage S.N.C. or BNP Paribas.

DESCRIPTION OF THE CHARGED ASSETS - PART III - DESCRIPTION OF THE DEPOSIT AGREEMENT

The following description of the Deposit Agreement which the Issuer may enter into for each Series of Securities should be read in conjunction with the Final Terms for each Series, the applicable Charged Asset Description and together this description, the applicable Charged Asset Description and such Final Terms consists of a summary of certain provisions of such Deposit Agreement which is qualified in its entirety by reference to the detailed provisions of such Deposit Agreement for each specific Series of Securities. The following summary does not purport to be complete, and prospective investors must refer to the applicable Final Terms and the relevant Deposit Agreement for detailed information regarding the relevant Deposit Agreement.

Deposit

If specified in the applicable Final Terms, some or all of the proceeds of the Securities received by the Issuer on the Issue Date will be paid to such European bank or other financial institution with securities admitted to trading on a regulated or equivalent market as is specified in the applicable Final Terms (the "**Deposit Counterparty**") (such deposit, the "**Deposit**") pursuant to a deposit agreement (the "**Deposit Agreement**") entered into on the Issue Date between the Issuer and the relevant Deposit Counterparty).

Security

The Issuer will grant security over its rights under the Deposit Agreement in favour of the Trustee for itself and as trustee for the Secured Parties in the manner set out in the applicable Final Terms for the relevant Series of Securities.

Interest

The Deposit may bear interest (which may be positive or negative). Where such interest is positive and is used by the Issuer to make payments in respect of the Securities, the Final Terms will specify the rate of interest payable by the Deposit Counterparty under the Deposit.

Repayment

The Final Terms will specify the date and terms on which the Deposit (and any interest accrued, if applicable) will be repaid to the Issuer.

Early repayment on a redemption following Swap Counterparty optional termination

If Condition 7(f) (*Redemption following Swap Counterparty optional termination*) of "*Terms and Conditions of the Notes*", if Condition 9(h) (*Swap Counterparty optional termination*) of "*Terms and Conditions of the Warrants*" or if Condition 9(h) (*Swap Counterparty optional termination*) of "*Terms and Conditions of the Certificates*" is specified as applying in the applicable Final Terms, in the event that notice is given in accordance with such Condition, the Deposit will, unless otherwise specified in the applicable Final Terms, become repayable on the date specified for redemption of the relevant Notes or Certificates or the exercise of the Warrants, as the case may be (or such other date as is specified in the applicable Final Terms) in accordance with the Conditions together with, in the case of Notes or Certificates, any interest accrued and unpaid to such date.

Early repayment on a redemption following Issuer optional redemption

If Condition 7(c) (*Redemption at the Option of the Issuer*) of "*Terms and Conditions of the Notes*", if Condition 8(d) (*Termination at the Option of the Issuer*) of "*Terms and Conditions of the Warrants*", or if Condition 8(c) (*Redemption at the Option of the Issuer*) of "*Terms and Conditions of the Certificates*" is

specified as applying in the applicable Final Terms, in the event that notice is given in accordance with such Conditions, the Deposit will, unless otherwise specified in the applicable Final Terms, become repayable on the date specified for redemption of the relevant Notes or Certificates, or the termination of the Warrants, as the case may be (or such other date as is specified in the applicable Final Terms) in accordance with the Conditions together with, in the case of Notes or Certificates, any interest accrued and unpaid to such date.

Early repayment on a redemption following optional redemption by the relevant Holder of Securities

If Condition 7(d) (*Redemption at the Option of the Noteholders*) of "*Terms and Conditions of the Notes*" or Condition 8(d) (*Redemption at the Option of the Certificateholders*) of "*Terms and Conditions of the Certificates*" is specified as applying in the applicable Final Terms, in the event that notice is given in accordance with such Condition, the Deposit will, unless otherwise specified in the applicable Final Terms, become repayable on the date specified for redemption of the relevant Notes or Certificates, as the case may be, (or such other date as is specified in the applicable Final Terms) in accordance with the applicable Conditions together with any interest accrued and unpaid to such date.

Early repayment on purchase of Securities by the Issuer

Upon purchase of Notes pursuant to Condition 7(i) (*Purchases*) of "*Terms and Conditions of the Notes*", purchase of Warrants pursuant to Condition 8(a) (*Purchases*) of "*Terms and Conditions of the Warrants*", or purchase of Certificates pursuant to Condition 8(i) (*Purchases*) of "*Terms and Conditions of the Certificates*" the Deposit will, unless otherwise specified in the applicable Final Terms, become repayable on the date of such purchase in a principal amount equal to the lesser of (i) in the case of the Notes or Certificates, an amount equal to the number of Notes or Certificates, as the case may be, that are so purchased divided by the total number of Notes or Certificates remaining outstanding immediately prior to such purchase multiplied by the then current value of the Deposit and, in the case of the Warrants, an amount equal to the number of Warrants that are so purchased divided by the total number of Warrants remaining unexercised immediately prior to such purchase multiplied by the then current value of the Deposit; and (ii) the notional amount of the Deposit, provided that if the Charged Assets relating to such Securities are constituted by a combination of Compartment Assets and Cash Assets, a *pro rata* proportion of the Deposit shall become so repayable and provided further that where the Securities are to be purchased in full, the Deposit shall be repaid in full together with any interest accrued and unpaid thereon.

Early repayment on purchase of Securities by the Swap Counterparty

Unless otherwise specified in the applicable Final Terms, upon termination of the Swap Agreement in whole or in part following the service of a written notice on the Issuer by the Swap Counterparty in accordance with Condition 8(h)(ii) (*Repurchase*) of "*Terms and Conditions of the Notes*", Condition 9(h)(ii) (*Repurchase*) of "*Terms and Conditions of the Warrants*" or Condition 9(h)(ii) (*Repurchase*) of "*Terms and Conditions of the Certificates*" the Deposit shall become repayable in an amount equal to the lesser of: (i) the Proportion (as defined, in the case of Notes, in Condition 8(h)(ii) of "*Terms and Conditions of the Notes*", in the case of Warrants, Condition 9(h)(ii) of "*Terms and Conditions of the Warrants*" and, in the case of Certificates, Condition 9(h)(ii) of "*Terms and Conditions of the Certificates*"); and (ii) the notional amount of the Deposit, provided that if the Charged Assets relating to such Securities are constituted by a combination of Compartment Assets and cash, a *pro rata* proportion of the Deposit shall become so repayable.

Repayment

The relevant amount payable to the Issuer under the Deposit Agreement by the Deposit Counterparty shall be paid on such date to such compartment account with such bank as the Issuer (or the Swap Counterparty, on behalf of the Issuer) may direct.

Ratings

The Final Terms will specify what ratings, if any, the Deposit Counterparty will be required to maintain.

Termination

Termination of the Deposit Agreement prior to its scheduled termination date will occur in limited circumstances, including, without limitation:

(a) payment defaults by the Issuer or the Deposit Counterparty under the Deposit Agreement;

(b) insolvency related events relating to the Issuer and/or the Deposit Counterparty;

(c) the occurrence of an Early Redemption Event in the case of Notes or Certificates or an Early Termination Event in the case of warrants or an Event of Default in respect of the Securities in respect of which the Deposit Agreement has been entered into; and

(d) the Issuer purchasing all the Securities outstanding.

The occurrence of the events in (a) and (b) will constitute an Early Redemption Event in the case of Notes or Certificates or an Early Termination Event in the case of Warrants and will lead to each Security being redeemed at its Early Redemption Amount in the case of Notes or Certificates or Early Termination Amount in the case of Warrants. Where the Deposit Agreement terminates prior to its scheduled termination date for whatever reason, the Issuer may receive an amount lower than the scheduled final payment which would have paid on such scheduled termination date from the Deposit Counterparty.

Taxation

Unless otherwise specified in the applicable Final Terms, all payments by the Deposit Counterparty will be made net of any deduction or withholding of any nature required to be made from such payments by applicable law or regulation.

Purchase of Securities by the Deposit Counterparty

The Issuer may agree to purchase Securities which have been purchased by the Deposit Counterparty. Such purchase by the Issuer will be funded by the realisation of the equivalent proportion of the Charged Assets. Any such purchase by the Issuer will be made in accordance with Condition 7(i) (*Purchases*) of "*Terms and Conditions of the Notes*" (in the case of Notes), Condition 8(a) (*Purchases*) of "*Terms and Conditions of the Warrants*" (in the case of Warrants) and Condition 8(i) (*Purchases*) of "*Terms and Conditions of the Certificates*" (in the case of Certificates).

DESCRIPTION OF THE CHARGED ASSETS - PART IV - DESCRIPTION OF THE REPURCHASE AGREEMENT

The following description of the Repurchase Agreement should be read in conjunction with the Final Terms for each Series of Securities and the applicable Charged Asset Description, together this description and the applicable Charged Asset Description and such Final Terms consists of a summary of certain provisions of the Repurchase Agreement which is qualified by reference to the detailed provisions of the Repurchase Agreement for each specific Series of Securities. The following summary, in conjunction with the summary in the applicable Final Terms, does not purport to be complete, and prospective investors must refer to the relevant Repurchase Agreement for detailed information regarding the Repurchase Agreement.

Repurchase Agreement

If specified in the Final Terms, a European bank or other financial institution with securities admitted to trading on a regulated or equivalent market (as specified in the applicable Final Terms) (in such capacity, the "**Repo Counterparty**") and the Issuer will enter into one or more master repurchase agreements, in each case substantially in the form of (i) a 2000 TBMA/ISMA Global Master Repurchase Agreement, (ii) an FBF Master Agreement for Purchase Transactions (*Convention Cadre FBF relative aux opérations de pensions livrées*) or (iii) a similar master agreement for repurchase transactions (each as amended, supplemented or otherwise modified from time to time and each a "**Master Repurchase Agreement**"). Pursuant to the Master Repurchase Agreement the Issuer may enter into a series of repurchase transactions (each a "**Repo Transaction**") for each Series of Securities (together, for each Series, a "**Repurchase Agreement**") with the Repo Counterparty in respect of the securities or other assets specified in the applicable Final Terms (the "**Repo Collateral Securities**"). Under each such Repo Transaction, the Repo Counterparty will be the seller of Repo Collateral Securities which will constitute the Compartment Assets for the relevant Series and the Issuer will be the buyer. The Issuer will grant security over its rights under the Repurchase Agreement and over the Compartment Assets purchased thereunder in favour of the Trustee for itself and as trustee for the Secured Parties in the manner set out in the applicable Final Terms for the relevant Series of Securities.

Under the Repurchase Agreement, on the Initial Repo Purchase Date specified in the applicable Final Terms for the relevant Series of Securities, the Issuer will purchase from the Repo Counterparty the Repo Collateral Securities specified in the applicable Final Terms for a consideration and with a market value equal to the amount set out in the applicable Final Terms.

The first Repo Transaction will commence on the Initial Repo Purchase Date and end on the first Repo Date immediately following the Initial Repo Purchase Date. Each subsequent Repo Transaction will commence on a Repo Date (in each case, together with the Initial Repo Purchase Date, a "**Purchase Date**") and end on the next following Repo Date (in each case, together with the first Repo Date, a "**Repurchase Date**") with the last such Repo Transaction terminating on the Final Repo Date. On each Repurchase Date for each Series of Securities, the Repo Counterparty will repurchase securities equivalent to the Repo Collateral Securities sold by it in relation to such Series of Notes, Warrants or Certificates on the previous Purchase Date for a consideration equal to the purchase price for that Repo Transaction as specified in the applicable Final Terms together with a price differential or accrued interest amount (the "**Price Differential**" or the "**Accrued Interest**") determined in accordance with the terms of the Repurchase Agreement (together, in each case for each Series of Securities, the "**Repurchase Price**"). Subsequent Transactions need not relate to the same portfolio of Compartment Assets, but will have the same purchase price (in each case, the "**Purchase Price**"), subject to adjustment if the Securities are purchased by the Issuer or further Tranches of Securities are issued by the Issuer.

Purchase of Securities

Where further Tranches of Securities are issued and the Issuer purchases additional Repo Collateral Securities from the Repo Counterparty under the Repurchase Agreement (which for avoidance of doubt will be repurchased by the Repo Counterparty on the same Repo Date as the Repo Collateral Securities purchased by the Issuer on the immediately preceding Repo Date) or where the Issuer purchases Securities and sells Repo Collateral Securities to the Repo Counterparty in order to fund such purchase, a fee in addition to the relevant Purchase Price or Repurchase Price (as applicable) may be payable by the Issuer to the Repo Counterparty or by the Repo Counterparty to the Issuer depending on prevailing market conditions. Where the Issuer purchases Securities, a Repurchase Date shall occur with respect to the proportion of the Repurchase Agreement equal to the Nominal Amount of Notes, the Notional Amount of Certificates or the number of Warrants, as the case may be, being purchased (the "**Purchased Proportion**") and Accrued Interest will be reflected in the Repurchase Price paid by the Repo Counterparty to the Issuer in respect of the Purchased Proportion.

Capitalised terms used in this "Description of the Repurchase Agreement" and not defined herein shall have the meanings given to them in the Final Terms for the relevant Series of Securities or the applicable Charged Asset Structure.

Early termination and cancellation

Any Repurchase Agreement for a Series of Securities will be subject to early termination only in limited circumstances, including without limitation:

(a) payment defaults and/or failure to deliver securities by the Issuer or the Repo Counterparty under such Repurchase Agreement;

(b) bankruptcy events relating to the Issuer or the relevant Repo Counterparty;

(c) in the case of Notes and Certificates, the early redemption or, in the case of Warrants, the cancellation, as applicable, or an event of default of the Series of Securities in respect of which the Repurchase Agreement has been entered into; and

(d) tax events relating to the Issuer or the relevant Repo Counterparty.

Upon early termination of the Repurchase Agreement, a termination payment may be due between the parties in accordance with the terms of the relevant Repurchase Agreement.

Further notes, warrants or certificates

If the Issuer issues further notes pursuant to Condition 16 (*Further Notes*) of "*Terms and Conditions of the Notes*", further Warrants pursuant to Condition 15 (*Further Warrants*) of "*Terms and Conditions of the Warrants*", or further Certificates pursuant to Condition 17 (*Further Certificates*) of "*Terms and Conditions of the Certificates*" as applicable, the Issuer may purchase from the Repo Counterparty Compartment Assets for a consideration of, and with a market value equal to, the principal amount of such further notes (or such proportion as is specified where an amount less than the full proceeds of the issue of such further notes is used to purchase Compartment Assets) or the aggregate issue price of such further Warrants (or such proportion as is specified where an amount less than the full proceeds of the issue of such further Warrants, is used to purchase Compartment Assets), or the aggregate issue proceeds such further Certificates (or such proportion as is specified where an amount less than the full proceeds of the issue of such further Certificates is used to purchase Compartment Assets) each as set out in the applicable Final Terms. Following such issue, the Repurchase Price for the then current Repo Transaction shall be increased by such principal amount (or such proportion of such principal amount) or the aggregate issue price (or such proportion of such market aggregate issue price) and the Purchase Price for all subsequent

Transactions shall then be increased by an amount equal to such principal amount (or such proportion of such principal amount) or such aggregate issue price (or such proportion of such aggregate issue price).

Substitution of Compartment Assets

For each Series of Securities, the Repurchase Agreement will permit the Repo Counterparty to deliver to the Issuer new Repo Collateral Securities in substitution or exchange for existing Repo Collateral Securities relating to a Series of Securities, subject to the relevant Repurchase Agreement, provided that such substitution or exchange does not result in the Issuer becoming subject to a Net Exposure under the current Transaction for that Series of Securities. Such substitution or exchange in respect of Repo Collateral Securities relating to any Series shall take place without the need for the Repo Counterparty to obtain any prior consents.

Downgrade

The Repo Counterparty may be required to provide collateralisation in respect of its obligations under the Repurchase Agreement upon the occurrence of certain events linked to the rating of the Repo Counterparty. The amount of collateralisation and the circumstances in which it is due to be paid will be set out in the Final Terms.

DESCRIPTION OF THE CHARGED ASSETS - PART V - CHARGED ASSET STRUCTURES

*One of the following descriptions of the Charged Asset Structures will apply to the Securities as specified in the applicable Final Terms which will also set out certain other information ("**Variable Information**") applicable to the relevant Charged Asset Structure as specified below.*

The applicable Final Terms will replicate the applicable paragraphs from the applicable Charged Asset Structure provided that information which is not relevant to a particular Series of Securities will not be replicated and references to "Automatic Early Settlement Amount", "Automatic Early Settlement" and "or where Automatic Early Settlement is applicable", "Automatic Early Settlement Event (where applicable)" and associated references may be deleted where Automatic Early Settlement does not apply.

Charged Asset Structure 1 - Interest bearing Deposit Agreement and Swap Agreement

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty and the Deposit Agreement with the Deposit Counterparty.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement"* and for further details relating to the Deposit Agreement, please see "*Description of the Charged Assets – Part III – Description of the Deposit Agreement".*

2. Payments under the Deposit Agreement

2.1 Under the Deposit Agreement the Issuer will pay on the Initial Remittance Payment Date the Initial Remittance (the "**Deposit**") to the Deposit Counterparty.

2.2 *Where "Initial Condition Precedent" is specified as applicable in the applicable Final Terms:*

The Issuer's obligation to pay or procure the payment of the Initial Remittance under the Deposit Agreement will be subject to the condition precedent that the Dealer has determined in its absolute discretion that it has received from the Authorised Offeror an amount equal to the Initial Purchase Payment Amount by no later than the Initial Condition Precedent Time on the Initial Condition Precedent Date. If the Dealer determines that it has not received such amounts, the Swap Counterparty may exercise its option to terminate the Swap Agreement and the Issuer shall repurchase the Securities in accordance with the Repurchase Condition, which will lead to the termination of the Deposit Agreement.

2.3

Where "Negative Interest" is not specified as applicable in the applicable Final Terms:

On each interest payment date under the Deposit Agreement (each a **"Deposit Interest Payment Date"**), the Deposit Counterparty will pay an amount of interest to the Issuer in respect of the Deposit (each such amount, a **"Deposit Interest Amount"**).

Where "Negative Interest" is specified as applicable in the applicable Final Terms:

On each interest payment date under the Deposit Agreement (each a **"Deposit Interest Payment Date"**), the Deposit Counterparty will pay an amount of interest to the Issuer in respect of the Deposit, or where the amount of interest is negative, the Issuer will pay the absolute value of such amount to the Deposit Counterparty (each amount, a **"Deposit Interest Amount"**).

2.4 On or before the Final Payment Date or, (where Automatic Early Settlement is applicable to the Securities) if an Automatic Early Settlement Event has occurred, the Automatic Early Settlement Date (either such date, the "**Deposit Termination Date**"), the Deposit Counterparty will pay an amount to the Issuer equal to the Final Deposit Payment.

2.5 On each Additional Issuer Deposit Payment Date (if any), the Issuer will pay the relevant Additional Issuer Deposit Amount to the Deposit Counterparty.

2.6 On each Additional Counterparty Deposit Payment Date (if any), the Deposit Counterparty will pay the Additional Counterparty Deposit Amount to the Issuer.

2.7 *The applicable Variable Information for this paragraph 2 is*:

(a) The Initial Remittance Payment Date: [specify]

(b) The Initial Remittance:[Full Proceeds/Partial Proceeds]. [Additional Proceeds Amount: Applicable/Not applicable]

(c) Additional Proceeds Payer: [specify/delete if Additional Proceeds Amount is not applicable]

(d) Additional Proceeds Amount: [specify/delete if Additional Proceeds Amount is not applicable]

(e) Initial Condition Precedent: [Applicable] (where Initial Condition Precedent is not applicable do not replicate paragraph 2.2)

(f) Initial Condition Precedent Date:[specify/delete if Initial Condition Precedent is not applicable]

(g) Initial Condition Precedent Time:[specify/delete if Initial Condition Precedent is not applicable]

(h) Initial Purchase Payment Amount: [specify]/[delete if amount is equal to the Aggregate Issue Amount]

(i) Final Deposit Payment: [specify]

(i) Additional Issuer Deposit Payment Date: [specify/delete if there is no Additional Issuer Deposit Amount]

(j) Additional Issuer Deposit Amount: [specify/delete]

(k) Additional Counterparty Deposit Payment Date: [specify/delete if there is no Additional Counterparty Deposit Amount]

(l) Additional Counterparty Deposit Amount: [specify/delete]

(m) Negative Interest: [Applicable] [delete if Negative Interest not applicable]

3. Payments under the Swap Agreement

3.1 *If Initial Swap Payment is specified as applicable in the applicable Final Terms:*

On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount.

3.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms (where this paragraph 3.2 applies, paragraph 3.1 should not be replicated in the applicable Final Terms):*

On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty equal to the Issuer Initial Swap Payment Amount.

3.3 *Where "Negative Interest" is not specified as applicable, the following paragraph 3.3 applies and paragraph 3.11 should not be replicated in the Final Terms:*

Under the Swap Agreement, on or after each Deposit Interest Payment Date, the Issuer will pay an amount (if any) in the currency in which the Deposit is denominated equal to the Deposit Interest Amount received by the Issuer on such date to the Swap Counterparty provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.4 *Where an Interim Payment Amount is payable in respect of the Securities:*

Where an Interim Payment Amount is payable in respect of the Securities, the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.5 *Where Automatic Early Settlement is applicable in respect of the Securities:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs:

(a) where the Aggregate Automatic Early Settlement Amount is greater than the Final Deposit Payment, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which, when added to the proceeds received by the Issuer from the Deposit Counterparty under the Deposit Agreement on or around such date, will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred; or

(b) where the Aggregate Automatic Early Settlement Amount is equal to the Automatic Early Settlement Deposit Payment Amount, no further payment will be made under the Swap Agreement (other than in respect of any unpaid Deposit Interest Amounts) and, where the Aggregate Automatic Early Settlement Amount is less than the Automatic Early Settlement Deposit Payment Amount, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the Automatic Early Settlement Deposit Payment Amount and the Aggregate Automatic Early Settlement Amount.

3.6 *Where the Issuer may be obliged to pay an Aggregate Final Payment Amount which is greater than the Final Deposit Payment*:

On or prior to the Final Payment Date, where the Issuer is to pay an Aggregate Final Payment Amount which is greater than the Final Deposit Payment, the Swap Counterparty will pay an amount to the Issuer which, when added to the proceeds received by the Issuer from the Deposit Counterparty under the Deposit Agreement on or around such date, will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.7 Where the Aggregate Final Payment Amount is equal to the Final Deposit Payment, no further payment will be made under the Swap Agreement (other than in respect of unpaid Deposit Interest Amounts).

3.8 *Where Aggregate Final Payment Amount is less than the Final Deposit Payment:*

Where the Aggregate Final Payment Amount is less than the Final Deposit Payment, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the Final Deposit Payment and the Aggregate Final Payment Amount.

3.9 The amount of cash which is subject to the Deposit Agreement and the notional amount of the Swap Agreement will be reduced to take account of any purchase and cancellation of Securities by the Issuer and the reduction of the Aggregate Amount of the Securities as a consequence. Upon a purchase of the Securities by the Issuer pursuant to the Relevant Purchase Conditions, a payment will be due under the Deposit Agreement on or before the date of such purchase in an amount equal to the proportional amount of the Deposit that relates to the Aggregate Amount of the Securities so purchased.

3.10 On each Additional Issuer Swap Payment Date, the Issuer will pay the relevant Additional Issuer Swap Payment Amount to the Swap Counterparty.

3.11 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

3.12 *Where "Negative Interest" is specified as applicable (do not replicate paragraph 3.3 if this paragraph 3.12 is replicated):*

Under the Swap Agreement, on or after each Deposit Interest Payment Date, the Issuer will pay an amount (if any) in the currency in which the Deposit is denominated equal to the Deposit Interest Amount received by the Issuer on such date to the Swap Counterparty or, where the Deposit Interest Amount is a negative amount, on or before each Deposit Interest Payment Date, the Swap Counterparty will pay an amount (if any) in the currency in which the Deposit is denominated equal to the absolute value of the Deposit Interest Amount payable by the Issuer on such date to the Deposit Counterparty, in each case provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.13 Payments under the Swap Agreement will only be made on Swap Business Days.

3.13 *The applicable Variable Information for this paragraph 3 is*:

(a) Initial Swap Payment Date: [specify]

(b) Initial Swap Payment/Alternative Initial Payment Structure: Applicable

where Initial Swap Payment is applicable:

(i) Issuer Fees Amount: [Applicable]/[delete]

(ii) Additional Issuer Fees Amount: [specify/delete]

(iii) Additional Initial Swap Payment Amount: [specify]/delete (if not applicable)]

(iv) Alternative Initial Swap Payment Amount: [specify]/[delete if Issuer Fees Amount is applicable]

where Alternative Initial Payment Structure is applicable: Issuer Initial Swap Payment Amount: [specify]

(c) Interim Payment Amount: [Interest Amount]/[Premium Amount][specify] [NB: more than one such amount may be payable]/[delete if not applicable]

(d) Additional Issuer Swap Payment Date: [specify/delete if there is no Additional Issuer Swap Payment Amount]

(e) Additional Issuer Swap Payment Amount: [specify/delete]

(f) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(g) Additional Counterparty Swap Payment Amount: [specify/delete]

(h) Swap Business Days: [specify]

4. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments (if any) when due from the Swap Counterparty pursuant to the Swap Agreement and/or the Deposit Counterparty under the Deposit Counterparty in the manner described in paragraphs 2 and 3 above in order to pay:

(a) the Automatic Early Settlement Amount in respect of each outstanding Security;

(b) any Interim Payment Amount in respect of each outstanding Security; and/or

(c) the Final Payment Amount on the Final Payment Date in respect of each outstanding Security.

5. Collection of payments

Payments made under the Swap Agreement or Deposit Agreement to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay any Interim Payment Amount, the Automatic Early Settlement Amount in respect of each outstanding Security on the Automatic Early Settlement Date, and where applicable, the Final Payment Amount on the Final Payment Date in respect of each outstanding Security.

Charged Asset Structure 2 - Zero Coupon Bond and Swap Agreement

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. On the Initial Reference Security Purchase Date(s), the Issuer will purchase the Reference Securities.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement*".

1.3 *The applicable Variable Information for this paragraph 1 is*:

(a) Initial Reference Security Purchase Date: [specify date(s)]

(b) Reference Securities: [specify][*NB must form all or part of the Charged Assets specified in the applicable Final Terms*]

2. Payments under the Swap Agreement

2.1 *Where Alternative Initial Payment Structure is not specified as applicable in the applicable Final Terms:*

On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty which is equal to the Available Proceeds (if any).

2.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms:*

On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount.

2.3 *Where "Initial Condition Precedent" is specified as applicable in the applicable Final Terms:*

The Issuer's obligation to pay the purchase price of the Reference Securities will be subject to the condition precedent that the Dealer has determined in its absolute discretion that it has received from the Authorised Offeror an amount equal to the Initial Purchase Payment Amount by no later than the Initial Condition Precedent Time on the Initial Condition Precedent Date. If the Dealer determines that it has not received such amounts, the Swap Counterparty may exercise its option to terminate the Swap Agreement and the Issuer shall repurchase the Securities in accordance with the Repurchase Condition.

2.4 *Where an Interim Payment Amount is payable in respect of the Securities:*

Where an Interim Payment Amount is payable in respect of the Securities, the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.5 *Where the Issuer may be obliged to pay an Aggregate Final Payment Amount which is greater than the Final Deposit Payment:*

On or prior to the Final Payment Date, where the Issuer is to pay an Aggregate Final Payment Amount which is greater than the Scheduled Final Bond Payment, the Swap Counterparty will pay an amount to the Issuer which, when added to the proceeds due to be received by the Issuer from the Reference Securities on or around such date, will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.6 *Where Automatic Early Settlement is applicable in respect of the Securities*:

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs:

(i) where the Aggregate Automatic Early Settlement Amount is greater than the Automatic Early Settlement Reference Security Unwind Proceeds, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which, when added to the proceeds received by the Issuer from the relevant Early Settlement Reference Security Unwind on or around such date, will be equal to the

relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred; or

(ii) where the Aggregate Automatic Early Settlement Amount is equal to the Automatic Early Settlement Reference Security Unwind Proceeds, no further payment will be made under the Swap Agreement in respect of the Aggregate Automatic Early Settlement Amount and, where the Aggregate Automatic Early Settlement Amount is less than the Automatic Early Settlement Reference Security Unwind Proceeds, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the proceeds received by the Issuer in respect of the Reference Securities following the Early Settlement Reference Security Unwind and the Aggregate Automatic Early Settlement Amount.

2.7 The notional amount of the Swap Agreement and the aggregate nominal amount of the Reference Securities will be reduced to take account of any purchase and cancellation of Securities by the Issuer so that the notional amount of the Swap Agreement and the aggregate nominal amount of the Reference Securities held by the Issuer at any time will (in each case) be equal to the Aggregate Issue Amount of the Securities left outstanding immediately following any such repurchase in the case of the Swap Agreement and equal to the Collateralisation Notional Amount in the case of the Reference Securities.

2.8 On each Additional Issuer Swap Payment Date, the Issuer will pay the relevant Additional Issuer Swap Payment Amount to the Swap Counterparty.

2.9 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

2.10 Payments under the Swap Agreement will only be made on Swap Business Days.

2.11 *The applicable Variable Information for this paragraph 2 is*:

(a) Initial Swap Payment Date: [specify]

(b) Alternative Initial Payment Structure: [Applicable][delete]

(c) Initial Swap Payment Amount:[specify][delete where Alternative Initial Payment Structure is not applicable]

(d) Initial Condition Precedent: [Applicable] (where Initial Condition Precedent is not applicable do not replicate paragraph 2.3)

(e) Initial Condition Precedent Date:[specify/delete if Initial Condition Precedent is not applicable]

(f) Initial Condition Precedent Time:[specify/delete if Initial Condition Precedent is not applicable]

(g) Initial Purchase Payment Amount: [specify]/[delete if amount is equal to the Aggregate Issue Amount]

(h) Interim Payment Amount: [Interest Amount]/[Premium Amount][specify] [*NB: more than one such amount may be payable]/[delete if not applicable*]

(i) Early Settlement Reference Security Unwind: [Reference Security Automatic Early Redemption applicable]/[Reference Security Put applicable]/[and][Reference Security Automatic Settlement Sale applicable][*select applicable options; delete if Automatic Early Settlement is not applicable*]

(j) Collateralisation Percentage: [specify]

(k) Additional Issuer Swap Payment Date: [specify/delete if there is no Additional Issuer Swap Payment Amount]

(l) Additional Issuer Swap Payment Amount: [specify/delete]

(m) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(n) Additional Counterparty Swap Payment Amount: [specify/delete]

(o) Swap Business Days: [specify]

3. Payments under the Reference Securities

3.1 On the Initial Reference Security Purchase Date, the Issuer will use up to 100 per cent of the net issue proceeds of the Securities, and where the Alternative Initial Payment Structure is applicable, all or part of the Initial Swap Payment Amount, to purchase the Reference Securities.

3.2 On the Scheduled Final Bond Payment Date, the Reference Security Issuer will pay to the Issuer the Scheduled Final Bond Payment which the Issuer will use, together with the amount received under the Swap Agreement (if any) on or around such date as set out in paragraph 2.5 above, to pay the Final Payment Amount in respect of each Security.

3.3 *Where Automatic Early Settlement is applicable in respect of the Securities:*

Where an Automatic Early Settlement Event occurs, the Reference Securities will be the subject of one or both of (a) automatic early redemption where Reference Security Automatic Early Redemption is specified as applicable in the applicable Final Terms, (b) a put at the option of the Issuer where Reference Security Put is specified as applicable in the applicable Final Terms and/or (c) the Issuer will sell the Reference Securities where Reference Security Automatic Settlement Sale is specified as applicable in the applicable Final Terms.

3.4 *The applicable Variable Information for this paragraph 3 is*:

(a) Scheduled Final Bond Payment Date(s): [specify date(s)]

(b) [Reference Security Automatic Early Redemption applicable]/[Reference Security Put applicable]/[and][Reference Security Automatic Settlement Sale applicable][s*elect applicable options; delete if Automatic Early Settlement is not applicable*]

4. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments (if any) when due from the Swap Counterparty pursuant to the Swap Agreement and/or from the Reference Security Issuer under the Reference Securities in the manner described in paragraphs 2 and 3 above in order to pay:

(a) the Automatic Early Settlement Amount in respect of each outstanding Security;

(b) any Interim Payment Amount in respect of each outstanding Security; and/or

(c) the Final Payment Amount on the Final Payment Date in respect of each outstanding Security.

5. Collection of payments

Payments made under the Swap Agreement or the Reference Securities to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay the Automatic Early Settlement Amount in respect of each outstanding Security or the Automatic Early Settlement Date (where applicable) Final Payment Amount in respect of each Security outstanding on the Final Payment Date.

Charged Asset Structure 3 - Non-interest bearing Deposit Agreement and Swap Agreement

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty and the Deposit Agreement with the Deposit Counterparty.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement*" and for further details relating to the Deposit Agreement, please see "*Description of the Charged Assets – Part III – Description of the Deposit Agreement*".

2. Payments under the Deposit Agreement

2.1 Under the Deposit Agreement, the Issuer will pay on the Initial Remittance Payment Date the Initial Remittance (the "**Deposit**") to the Deposit Counterparty.

2.2 *Where "Initial Condition Precedent" is specified as applicable in the applicable Final Terms:*

The Issuer's obligation to pay or procure the payment of the Initial Remittance under the Deposit Agreement will be subject to the condition precedent that the Dealer has determined in its absolute discretion that it has received from the Authorised Offeror an amount equal to the Initial Purchase Payment Amount by no later than the Initial Condition Precedent Time on the Initial Condition Precedent Date. If the Dealer determines that it has not received such amounts, the Swap Counterparty may exercise its option to terminate the Swap Agreement and the Issuer shall repurchase the Securities in accordance with the Repurchase Condition, which will lead to the termination of the Deposit Agreement.

2.3 On or before the Final Payment Date or, (where Automatic Early Settlement is applicable to the Securities) if an Automatic Early Settlement Event has occurred, the Automatic Early Settlement Date (either such date, the "**Deposit Termination Date**"), the Deposit Counterparty will pay an amount to the Issuer equal to the Final Deposit Payment.

2.4 On each Additional Issuer Deposit Payment Date (if any), the Issuer will pay the relevant Additional Issuer Deposit Amount to the Deposit Counterparty.

2.5 On each Additional Counterparty Deposit Payment Date (if any), the Deposit Counterparty will pay the Additional Counterparty Deposit Amount to the Issuer.

2.6 *The applicable Variable Information for this paragraph 2 is*:

(a) The Initial Remittance Payment Date;

(b) The Initial Remittance:[Full Proceeds/Partial Proceeds]. [Additional Proceeds Amount: Applicable/Not applicable]

(c) Additional Proceeds Payer: [specify/delete if Additional Proceeds Amount is not applicable]

(d) Additional Proceeds Amount: [specify/delete if Additional Proceeds Amount is not applicable]

(e) Initial Condition Precedent: [Applicable] (where Initial Condition Precedent is not applicable do not replicate paragraph 2.2)

(f) Initial Condition Precedent Date:[specify/delete if Initial Condition Precedent is not applicable]

(g) Initial Condition Precedent Time:[specify/delete if Initial Condition Precedent is not applicable]

(h) Initial Purchase Payment Amount: [specify]/[*delete if amount is equal to the Aggregate Issue Amount*]

(h) Final Deposit Payment: [specify]

(i) Additional Issuer Deposit Payment Date: [specify/delete if there is no Additional Issuer Deposit Amount]

(j) Additional Issuer Deposit Amount: [specify/delete]

(k) Additional Counterparty Deposit Payment Date: [specify/delete if there is no Additional Counterparty Deposit Amount]

(j) Additional Counterparty Deposit Amount: [specify/delete]

3. Payments under the Swap Agreement

3.1 *Where Initial Swap Payment is specified as applicable in the applicable Final Terms:*

On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty equal to the Issuer Initial Swap Payment Amount.

3.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms:*

On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount and paragraph 3.1 will not apply.

3.3 If an Interim Payment Amount is payable in respect of the Securities, the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.4 *Where Automatic Early Settlement is applicable in respect of the Securities:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs:

(a) where the Aggregate Automatic Early Settlement Amount is greater than the Final Deposit Payment, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which, when added to the proceeds received by the Issuer from the Deposit Counterparty under the Deposit Agreement on or around such date, will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred; or

(b) where the Aggregate Automatic Early Settlement Amount is equal to the Automatic Early Settlement Deposit Payment Amount, no further payment will be made under the Swap Agreement in respect of the Aggregate Automatic Early Settlement Amount and, where the Aggregate Automatic Early Settlement Amount is less than the Automatic Early Settlement Deposit Payment Amount, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the Automatic Early Settlement Deposit Payment Amount and the Aggregate Automatic Early Settlement Amount.

3.5 *Where the Issuer is to pay an Aggregate Final Payment Amount which is greater than the Final Deposit Payment:*

On or prior to the Final Payment Date, where the Issuer is to pay an Aggregate Final Payment Amount which is greater than the Final Deposit Payment, the Swap Counterparty will pay an amount to the Issuer which, when added to the proceeds received by the Issuer from the Deposit Counterparty under the Deposit Agreement on or around such date, will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.6 Where the Aggregate Final Payment Amount is equal to the Final Deposit Payment, no further payment will be made under the Swap Agreement and, where the Aggregate Final Payment Amount is less than the Final Deposit Payment, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the Final Deposit Payment and the Aggregate Final Payment Amount.

3.7 The amount of cash which is subject to the Deposit Agreement and the notional amount of the Swap Agreement will be reduced to take account of any purchase and cancellation of Securities by the Issuer and the reduction of the Aggregate Amount of the Securities as a consequence. Upon a purchase of the Securities by the Issuer pursuant to the Relevant Purchase Conditions, a payment will be due under the Deposit Agreement on or before the date of such purchase in an amount equal to the proportional amount of the Deposit that relates to the Aggregate Amount of the Securities so purchased.

3.8 On each Additional Issuer Swap Payment Date, the Issuer will pay the relevant Additional Issuer Swap Payment Amount to the Swap Counterparty.

3.9 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

3.10 Payments under the Swap Agreement will only be made on Swap Business Days.

3.11 *The applicable Variable Information for this paragraph 3 is*:

(a) Initial Swap Payment Date: [specify]

(b) Initial Swap Payment/Alternative Initial Payment Structure: Applicable

- where Initial Swap Payment is applicable: Issuer Initial Swap Payment Amount: [specify]

- where Alternative Initial Payment Structure is applicable:

(i) Issuer Fees Amount: [Applicable]/delete

(ii) Additional Issuer Fees Amount: [specify/delete (where not applicable or where Issuer Fees Amount is not applicable]

(iii) Additional Initial Swap Payment Amount: [specify]/delete (if not applicable)]

(iv) Alternative Initial Swap Payment Amount: [specify]/[delete if Issuer Fees Amount is applicable]

- where Alternative Initial Payment Structure is applicable, Issuer Initial Swap Payment Amount: specify

(c) Interim Payment Amount: [Interest Amount]/[Premium Amount][specify] [NB: more than one such amount may be payable]/[delete if not applicable]

(d) Additional Issuer Swap Payment Date: [specify/delete if there is no Additional Issuer Swap Payment Amount]

(e) Additional Issuer Swap Payment Amount: [specify/delete]

(f) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(g) Additional Counterparty Swap Payment Amount: [specify/delete]

(h) Swap Business Days: [specify]

4. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments (if any) when due from the Swap Counterparty pursuant to the Swap Agreement and/or the Deposit Counterparty under the Deposit Counterparty in the manner described in paragraphs 2 and 3 above in order to pay (where applicable):

(a) the Automatic Early Settlement Amount in respect of each outstanding Security;

(b) any Interim Payment Amount in respect of each outstanding Security; and/or

(c) the Final Payment Amount on the Final Payment Date in respect of each outstanding Security.

5. Collection of payments

Payments made under the Swap Agreement or Deposit Agreement to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay the Automatic Early Settlement Amount in respect of each outstanding Security and, where applicable, the Final Payment Amount in respect of each outstanding Security on the Final Payment Date.

Charged Asset Structure 4 - Collateralised Swap Agreement

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement*".

2. Payments under the Swap Agreement

2.1 On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty equal to the Issuer Initial Swap Payment Amount

2.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms:*

On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount

2.3 *If an Interim Payment Amount is payable in respect of the Securities*:

Where an Interim Payment Amount is payable in respect of the Securities, the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.4 *Where Automatic Early Settlement is applicable in respect of the Securities:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred.

2.5 On or prior to the Final Payment Date, the Swap Counterparty will pay an amount to the Issuer which will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.6 The notional amount of the Swap Agreement will be reduced to take account of any purchase and cancellation of Securities by the Issuer and the reduction of the Aggregate Amount of the Securities as a consequence.

2.7 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

2.8 Payments under the Swap Agreement will only be made on Swap Business Days.

2.9 The Credit Support Structure specified in the Final Terms will apply to the Securities.

2.10 *The applicable Variable Information for this paragraph 2 is*:

(a) Initial Swap Payment Date: [specify]

(b) Issuer Initial Swap Payment Amount: [specify]

(c) Alternative Initial Payment Structure: Applicable

- where Alternative Initial Payment Structure is applicable:

(i) Issuer Fees Amount: Applicable/delete

(ii) Additional Issuer Fees Amount: [specify/delete (where not applicable or where Issuer Fees Amount is not applicable]

(iii) Additional Initial Swap Payment Amount: [specify]/delete (if not applicable)]

(iv) Alternative Initial Swap Payment Amount: [specify]/[delete if Issuer Fees Amount is applicable]

(d) Interim Payment Amount: [Interest Amount]/[Premium Amount][specify] [NB: more than one such amount may be payable]/[delete if not applicable]

(e) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(f) Additional Counterparty Swap Payment Amount: [specify/delete]

(g) Swap Business Days: [specify]

3. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments when due from the Swap Counterparty pursuant to the Swap Agreement in order to pay, if applicable: (a) the Automatic Early Settlement Amount in respect of each outstanding Security, (b) any Interim Payment Amount in respect of each outstanding Security and (c) the Final Payment Amount in respect of each outstanding Security.

4. Collection of payments

Payments made under the Swap Agreement to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay the Final Payment Amount on the Final Payment Date.

Charged Asset Structure 5 - Interest Bearing Reference Securities and Swap Agreement

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. On the Initial Reference Security Purchase Date(s), the Issuer will purchase the Reference Securities.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement*".

1.3 The applicable Variable Information for this paragraph 1 is:

(a) Initial Reference Security Purchase Date(s): [specify date(s)]

(b) Reference Securities: [specify][*NB must form all or part of the Charged Assets specified in the applicable Final Terms*]

2. Payments under the Swap Agreement

2.1 On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty which is equal to the Available Proceeds (if any).

2.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms (where this paragraph 2.2 applies, paragraph 2.1 should not be replicated in the applicable Final Terms)*:

On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount.

2.3 *Where "Initial Condition Precedent" is specified as applicable in the applicable Final Terms:*

The Issuer's obligation to pay the purchase price of the Reference Securities will be subject to the condition precedent that the Dealer has determined in its absolute discretion that it has received from the Authorised Offeror an amount equal to the Initial Purchase Payment Amount by no later than the Initial Condition Precedent Time on the Initial Condition Precedent Date. If the Dealer determines that it has not received such amounts, the Swap Counterparty may exercise its option to terminate the Swap Agreement and the Issuer shall repurchase the Securities in accordance with the Repurchase Condition.

2.4 *Where Swap Flow Reference Security Coupon is specified as applicable in the applicable Final Terms:*

Under the Swap Agreement:

(a) On each Swap Issuer Interim Payment Date, the Issuer will pay an amount (if any) in the currency in which the Reference Securities are denominated equal to the Reference Security Coupon Amount received by the Issuer on the Relevant Reference Security Interest Payment Date to the Swap Counterparty provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred; and

(b) if an Interim Payment Amount is payable in respect of the Securities, the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.5 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms:*

On the Scheduled Final Bond Payment Date, the Reference Security Issuer will pay to the Issuer the Scheduled Final Bond Payment and, on the Swap Issuer Final Payment Date, the Issuer will pay to an amount (if any) in the currency in which the Reference Securities are denominated equal to the Scheduled Final Bond Payment received by the Issuer to the Swap Counterparty provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.6 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms:*

On or prior to the Final Payment Date, the Swap Counterparty will pay an amount to the Issuer which will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.7 *Where Security Final Payment Flow is specified as applicable in the applicable Final Terms and the Issuer is due to pay an Aggregate Final Payment Amount which is greater than the Scheduled Final Bond Payment:*

On or prior to the Final Payment Date, the Swap Counterparty will pay an amount to the Issuer which, when added to the redemption proceeds due to be received by the Issuer from the Reference Securities on or around such date, will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.8 *Where Automatic Early Settlement is applicable in respect of the Securities and Security Final Payment Flow is specified as applicable:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs:

(i) where the Aggregate Automatic Early Settlement Amount is greater than the Automatic Early Settlement Reference Security Unwind Proceeds, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which, when added to the proceeds received by the Issuer following the relevant Early Settlement Reference Security Unwind in respect of the Reference Securities on or around such date, will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred; or

(ii) where the Aggregate Automatic Early Settlement Amount is equal to the Automatic Early Settlement Reference Security Unwind Proceeds, no further payment will be made under the Swap Agreement in respect of the Aggregate Automatic Early Settlement Amount and, where the Aggregate Automatic Early Settlement Amount is less than the Automatic Early Settlement Reference Security Unwind Proceeds, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the proceeds received by the Issuer in respect of the Reference Securities following the Early Settlement Reference Security Unwind and the Aggregate Automatic Early Settlement Amount.

2.9 *Where Automatic Early Settlement is applicable in respect of the Securities and Swap Final Payment Flow is specified as applicable in the applicable Final Terms:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred.

2.10 *Where Automatic Early Settlement is applicable in respect of the Securities and Swap Final Payment Flow is specified as applicable in the applicable Final Terms*:

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs, the Issuer will (a) sell the Reference Securities and pay the net sale proceeds of such sale (after deduction of all costs, expenses and taxes incurred in such sale) to the Swap Counterparty where Reference Security Automatic Settlement Sale is specified as applicable in the applicable Final Terms, (b) pay the redemption proceeds it receives following automatic early redemption of the Reference Securities where Reference Security Early Redemption is specified as applicable in the applicable Final Terms pay the net proceeds from the put of the Reference Securities where Reference Security Put is specified as applicable in the applicable Final Terms to the Swap

Counterparty or, (c) where Reference Security Delivery is specified as applicable in the applicable Final Terms, deliver the Reference Securities to the Swap Counterparty and such delivery or payment to the Swap Counterparty shall take place on the Reference Security Unwind Date.

2.11 The notional amount of the Swap Agreement and the aggregate nominal amount of the Reference Securities will be reduced to take account of any purchase and cancellation of Securities by the Issuer so that the notional amount of the Swap Agreement, and the aggregate nominal amount of the Reference Securities held by the Issuer, at any time will (in each case) be equal to the Aggregate Issue Amount of the Securities left outstanding immediately following any such repurchase in the case of the Swap Agreement and equal to the Collateralisation Notional Amount in the case of the Reference Securities.

2.12 On each Additional Issuer Swap Payment Date, the Issuer will pay the relevant Additional Issuer Swap Payment Amount to the Swap Counterparty.

2.13 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

2.14 Payments under the Swap Agreement will only be made on Swap Business Days.

2.15 If so specified in the applicable Final Terms, a Credit Support Structure may apply to the Securities.

2.16 *Where Scheduled Cashflow Obligation is specified as applicable in the applicable Final Terms:*

The Issuer's obligation under the Swap Agreement will be to pay to the Swap Counterparty the scheduled amount of interest (where Swap Flow Reference Security Coupon is applicable) and/or principal payable under the Reference Securities (where Swap Final Payment Flow is applicable) whether or not the full amount is actually received by the Issuer.

2.17 *The applicable Variable Information for this paragraph 2 is*:

(a) Initial Swap Payment Date: [specify]

(b) Alternative Initial Payment Structure: [Applicable][delete]

(c) Initial Swap Payment Amount:[specify][delete where Alternative Initial Payment Structure is not applicable]

(d) Initial Condition Precedent: [Applicable] (where Initial Condition Precedent is not applicable do not replicate paragraph 2.3)

(e) Initial Condition Precedent Date:[specify/delete if Initial Condition Precedent is not applicable]

(f) Initial Condition Precedent Time:[specify/delete if Initial Condition Precedent is not applicable]

(g) Initial Purchase Payment Amount: [specify]/[delete if amount is equal to the Aggregate Issue Amount]

(h) Swap Flow Reference Security Coupon: [Applicable/[delete if not applicable]

(i) Swap Issuer Interim Payment Date: [specify/delete if Swap Reference Security Coupon is not applicable]

(j) Reference Security Interest Payment Date : [Each date on which a Reference Security Issuer pays interest in respect of the relevant Reference Securities]/[specify]/[delete if Swap Reference Security Coupon is not applicable]

(k) Interim Payment Amount: [Interest Amount]/[Premium Amount]/[specify] [*NB: more than one such amount may be payable]/[delete if not applicable or if Swap Reference Security Coupon is not applicable*]

(l) Swap Payment Final Flow: [Applicable/[delete if not applicable or if Security Final Payment Flow is applicable]

(m) Security Final Payment Flow: [Applicable/[delete if not applicable or if Swap Payment Flow is applicable]

(n) Swap Issuer Final Payment Date: [specify]/[delete]

(o) Scheduled Final Bond Payment Date: [specify]/[delete if not applicable]

(p) Early Settlement Reference Security Unwind: [Reference Security Automatic Early Redemption applicable]/[Reference Security Put applicable]/[and][Reference Security Automatic Settlement Sale applicable] Reference Security Delivery applicable][*select applicable options; delete if Automatic Early Settlement is not applicable*]

(q) Reference Security Unwind Date: [specify]/[delete if Automatic Early Settlement is not applicable]

(r) Collateralisation Percentage: [specify]

(s) Additional Issuer Swap Payment Date: [specify/delete if there is no Additional Issuer Swap Payment Amount]

(t) Additional Issuer Swap Payment Amount: [specify/delete]

(u) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(v) Additional Counterparty Swap Payment Amount: [specify/delete]

(w) Swap Business Days: [specify]

(x) Scheduled Cashflow Obligation: [Applicable/delete not applicable]

3. Payments under the Reference Securities

3.1 On the Initial Reference Security Purchase Date(s), the Issuer will use up to 100 per cent of the net issue proceeds of the Securities, and where the Alternative Initial Payment Structure is applicable, all or part of the Initial Swap Payment Amount to purchase the Reference Securities.

3.2 On each interest payment date under the Reference Securities (each a "**Reference Security Interest Payment Date**"), the Reference Security Issuer will pay an amount of interest to the Issuer in respect of the principal amount of the Reference Securities held by the Issuer at such time (each such amount, a "**Reference Security Coupon Amount**").

3.3 *Where Security Flow Reference Security Coupon is specified as applicable in the applicable Final Terms:*

The Issuer will use the Reference Security Coupon Amount it receives under the Reference Securities to pay the relevant Interim Payment Amounts due in respect of the Securities.

3.4 *Where Swap Flow Reference Security Coupon is specified as applicable in the applicable Final Terms:*

Under the Swap Agreement, on each Swap Issuer Interim Payment Date the Issuer will pay an amount (if any) in the currency in which the Reference Securities are denominated equal to the Reference Security Coupon Amount received by the Issuer on the Relevant Reference Security Interest Payment Date to the Swap Counterparty provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.5 *Where Security Final Payment Flow is specified as applicable in the applicable Final Terms:*

On the Scheduled Final Bond Payment Date, the Reference Security Issuer will pay to the Issuer the Scheduled Final Bond Payment which the Issuer will use together with the amount received under the Swap Agreement (if any) on or around such date as set out in paragraph 2.7 above to pay the Final Payment Amount in respect of each Security.

3.6 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms*:

On the Scheduled Final Bond Payment Date, the Reference Security Issuer will pay to the Issuer the Scheduled Final Bond Payment and, on the Swap Issuer Final Payment Date, the Issuer will pay to the Swap Counterparty an amount (if any) in the currency in which the Reference Securities are denominated equal to the Scheduled Final Bond Payment received by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.7 *The applicable Variable Information for this paragraph 3 is:*

(a) Security Flow Reference Security Coupon; [Applicable]/[delete if not applicable or if Swap Flow Reference Security Coupon is applicable]

(b) Scheduled Final Bond Payment Date: [specify]/[delete if not applicable or if already specified under paragraph 2 above]

(c) Swap Issuer Final Payment Date: [specify]/[delete if not applicable or if Security Final Payment Flow is applicable]

4. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments (if any) when due from the Swap Counterparty pursuant to the Swap Agreement and/or from the Reference Security Issuer under the Reference Securities in the manner described in paragraphs 2 and 3 above in order to pay (where applicable):

(a) the Automatic Early Settlement Amount in respect of each outstanding Security;

(b) any Interim Payment Amount in respect of each outstanding Security; and/or

(c) the Final Payment Amount on the Final Payment Date in respect of each outstanding Security.

5. Collection of payments

Payments made under the Swap Agreement or Deposit Agreement to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay the Automatic Early Settlement Amount in respect of each outstanding Security and, where applicable, the Final Payment Amount in respect of each outstanding Security on the Final Payment Date.

Charged Asset Structure 6 - Interest Bearing Reference Securities and Swap Agreement Alternative Structure

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. On the Initial Reference Security Purchase Date(s), the Issuer will purchase the Reference Securities.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement*".

1.3 *The applicable Variable Information for this paragraph 1 is*:

(a) Initial Reference Security Purchase Date: [specify date(s)]

(b) Reference Securities: [specify][*NB must form all or part of the Charged Assets specified in the applicable Final Terms*]

2. Payments under the Swap Agreement

2.1 *Where Initial Swap Payment is specified in the applicable Final Terms:*

On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount.

2.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms*:

On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty which is equal to the Available Proceeds (if any).

2.3 *Where "Initial Condition Precedent" is specified as applicable in the applicable Final Terms:*

The Issuer's obligation to pay the purchase price of the Reference Securities will be subject to the condition precedent that the Dealer has determined in its absolute discretion that it has received from the Authorised Offeror an amount equal to the Initial Purchase Payment Amount by no later than the Initial Condition Precedent Time on the Initial Condition Precedent Date. If the Dealer determines that it has not received such amounts, the Swap Counterparty may exercise its option to terminate the Swap Agreement and the Issuer shall repurchase the Securities in accordance with the Repurchase Condition.

2.4 *Where Swap Flow Reference Security Coupon is applicable:*

Under the Swap Agreement:

(a) on each Swap Issuer Interim Payment Date the Issuer will pay an amount (if any) in the currency in which the Reference Securities are denominated equal to the Reference Security Coupon Amount received by the Issuer on the Relevant Reference Security

Interest Payment Date to the Swap Counterparty provided that no Early Payment Event or Event of Default has occurred; and

(b) if an Interim Payment Amount is payable in respect of the Securities, the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Early Payment Event or Event of Default has occurred.

2.5 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms:*

Under the Swap Agreement:

(a) on the Swap Issuer Final Payment Date, the Issuer will pay to an amount (if any) in the currency in which the Reference Securities are denominated equal to the Scheduled Final Bond Payment received by the Issuer on the Scheduled Final Bond Payment Date to the Swap Counterparty provided that no Early Payment Event or Event of Default has occurred; and

(b) on or prior to the Final Payment Date, the Swap Counterparty will pay an amount to the Issuer which will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Early Payment Event or Event of Default has occurred.

2.6 *Where Security Final Payment Flow is specified as applicable in the applicable Final Terms:*

If the Scheduled Final Bond Payment received by the Issuer is greater than the aggregate of the Final Payment Amount in respect of each Security payable by the Issuer on the Final Payment Date, the Issuer will pay an amount equal to the amount of such excess to the Swap Counterparty on the Swap Issuer Final Payment Date.

2.7 The notional amount of the Swap Agreement and the aggregate nominal amount of the Reference Securities will be reduced to take account of any purchase and cancellation of Securities by the Issuer so that the notional amount of the Swap Agreement and the aggregate nominal amount of the Reference Securities held by the Issuer at any time will (in each case) be equal to the Aggregate Issue Amount of the Securities left outstanding immediately following any such repurchase in the case of the Swap Agreement and equal to the Collateralisation Notional Amount in the case of the Reference Securities.

2.8 On each Additional Issuer Swap Payment Date, the Issuer will pay the relevant Additional Issuer Swap Payment Amount to the Swap Counterparty.

2.9 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

2.10 Payments under the Swap Agreement will only be made on Swap Business Days.

2.11 If so specified in the applicable Final Terms, a Credit Support Structure may apply to the Securities.

2.12 Where Scheduled Cashflow Obligation is specified as applicable in the applicable Final Terms, the Issuer's obligation under the Swap Agreement will be to pay to the Swap Counterparty the scheduled amount of interest (where Swap Flow Reference Security Coupon is applicable) and/or principal payable under the Reference Securities (where Swap Final payment Flow is applicable) whether or not the full amount is actually received by the Issuer.

2.13 *The applicable Variable Information for this paragraph 2 is:*

(a) Initial Swap Payment: [Applicable][delete]

(b) Initial Swap Payment Date: [specify][delete where Initial Swap Payment is not specified as applicable]

(c) Initial Swap Payment Amount:[specify][delete where Alternative Initial Payment Structure is applicable or Initial Swap Payment is not specified as applicable]

(d) Alternative Initial Payment Structure: [Applicable][delete]

(e) Initial Condition Precedent: [Applicable] (where Initial Condition Precedent is not applicable do not replicate paragraph 2.3)

(f) Initial Condition Precedent Date:[specify/delete if Initial Condition Precedent is not applicable]

(g) Initial Condition Precedent Time:[specify/delete if Initial Condition Precedent is not applicable]

(h) Initial Purchase Payment Amount: [specify]/[delete if amount is equal to the Aggregate Issue Amount]

(i) Swap Flow Reference Security Coupon: [Applicable/[delete if not applicable]

(j) Swap Issuer Interim Payment Date: [specify/delete if Swap Reference Security Coupon is not applicable]

(k) Reference Security Interest Payment Date : [Each date on which a Reference Security Issuer pays interest in respect of the relevant Reference Securities]/[specify]/[delete if Swap Reference Security Coupon is not applicable]

(l) Interim Payment Amount(s): [Interest Amount]/[Premium Amount]/[specify] [*NB: more than one such amount may be payable]/[delete if not applicable or if Swap Reference Security Coupon is not applicable*]

(m) Swap Payment Final Flow: [Applicable/[delete if not applicable or if Security Final Payment Flow is applicable]

(n) Security Final Payment Flow: [Applicable/[delete if not applicable or if Swap Payment Flow is applicable]

(o) Swap Issuer Final Payment Date: [specify]/[delete]

(p) Scheduled Final Bond Payment Date: [specify]/[delete if not applicable]

(q) Collateralisation Percentage: [specify]

(r) Additional Issuer Swap Payment Date: [specify/delete if there is no Additional Issuer Swap Payment Amount]

(s) Additional Issuer Swap Payment Amount: [specify/delete]

(t) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(u) Additional Counterparty Swap Payment Amount: [specify/delete]

(v) Swap Business Days: [specify]

(w) Scheduled Cashflow Obligation: [Applicable/delete not applicable]

3. Payments under the Reference Securities

3.1 On the Initial Reference Security Purchase Date, the Issuer will use up to 100 per cent of the net issue proceeds of the Securities, and save where the Alternative Initial Payment Structure is applicable, all or part of the Initial Swap Payment Amount to purchase the Reference Securities.

3.2 On each interest payment date under the Reference Securities (each a "**Reference Security Interest Payment Date**"), the Reference Security Issuer will pay an amount of interest to the Issuer in respect of the principal amount of the Reference Securities held by the Issuer at such time (each such amount, a "**Reference Security Coupon Amount Amount**").

3.3 *Where Security Flow Reference Security Coupon is specified as applicable in the applicable Final Terms:*

The Issuer will use the Reference Security Coupon Amount it receives under the Reference Securities on the relevant Reference Security Payment Date to pay the relevant Interim Payment Amounts due in respect of the Securities.

3.4 *Where Swap Flow Reference Security Coupon is specified as applicable in the applicable Final Terms:*

Under the Swap Agreement, on each Swap Issuer Interim Payment Date the Issuer will pay an amount (if any) in the currency in which the Reference Securities are denominated equal to the Reference Security Coupon Amount received by the Issuer on the relevant Reference Security Interest Payment Date to the Swap Counterparty provided that no Early Payment Event or Event of Default has occurred

3.5 *Where Security Final Payment Flow is specified as applicable in the applicable Final Terms:*

On the Scheduled Final Bond Payment Date, the Reference Security Issuer will pay to the Issuer the Scheduled Final Bond Payment which the Issuer will use to pay the Final Payment Amount in respect of each Security. Where the Scheduled Final Bond Payment received by the Issuer is greater than the aggregate Final Payment Amount in respect of each Security payable by the Issuer, the Issuer will pay an amount equal to the amount of such excess to the Swap Counterparty on the Swap Issuer Final Payment Date.

3.6 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms:*

On the Scheduled Final Bond Payment Date, the Reference Security Issuer will pay to the Issuer the Scheduled Final Bond Payment, and on the Swap Issuer Final Payment Date, the Issuer will pay to an amount (if any) in the currency in which the Reference Securities are denominated equal to the Scheduled Final Bond Payment received by the Issuer to the Swap Counterparty provided that no Early Payment Event or Event of Default has occurred.

3.7 The applicable Variable Information for this paragraph 3 is:

(a) Security Flow Reference Security Coupon; [Applicable]/[delete if not applicable or if Swap Flow Reference Security Coupon is applicable]

(b) Scheduled Final Bond Payment Date: [specify]/[delete if not applicable or if already specified under paragraph 2 above]

(c) Swap Issuer Final Payment Date: [specify]/[delete if not applicable or if Security Final Payment Flow is applicable]

4. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments (if any) when due from the Swap Counterparty pursuant to the Swap Agreement and/or from the Reference Security Issuer under the Reference Securities in the manner described in paragraphs 2 and 3 above in order to pay (where applicable):

(a) any Interim Payment Amount in respect of each outstanding Security; and/or

(b) the Final Payment Amount on the Final Payment Date in respect of each outstanding Security.

5. Collection of payments

Payments made under the Swap Agreement or the Reference Securities to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay the Final Payment Amount on the Final Payment Date.

Charged Asset Structure 7 - Repurchase Agreement and Swap Agreement

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty and the Repurchase Agreement with the Repo Counterparty.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement*" and for further details relating to the Repurchase Agreement, please see "*Description of the Charged Assets – Part IV – Description of the Repurchase Agreement*".

2. Payments under the Repurchase Agreement

2.1 On the Initial Repo Purchase Date, the Issuer will use up to 100 per cent of the net issue proceeds of the Securities, and save where the Alternative Initial Payment Structure is applicable, all or part of the Initial Swap Payment Amount to purchase Repo Collateral Securities with a value equal to the Aggregate Issue Amount pursuant to the Repurchase Agreement.

2.2 On each Repurchase Date under the Repurchase Agreement, the Repo Counterparty will pay an amount of Accrued Interest to the Issuer in respect of the Repo Transaction which has just terminated (each such amount, a "**Repo Accrued Interest Amount**").

2.3 *Where Security Flow Repo Accrued Interest is specified as applicable in the applicable Final Terms*:

The Issuer will use the Repo Accrued Interest Amount received under the Repurchase Agreement to pay the relevant Interim Payment Amounts due in respect of the Securities.

2.4 *Where Swap Flow Repo Accrued Interest is specified as applicable in the applicable Final Terms*:

Under the Swap Agreement, on each Swap Issuer Interim Payment Date the Issuer will pay an amount (if any) equal to the Repo Accrued Interest Amount received by the Issuer on relevant Repurchase Date to the Swap Counterparty provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.5 *Where Repo Final Payment Flow is specified as applicable in the applicable Final Terms*:

On the Final Repo Date, the Repo Counterparty will pay to the Issuer the Final Repurchase Price Payment which the Issuer will use together with the amount received under the Swap Agreement (if any) on or around such date as set out in paragraph 3.6 below to pay the Final Payment Amount in respect of each Security.

2.6 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms:*

On the Final Repo Date, the Repo Counterparty will pay to the Issuer the Final Repurchase Price Payment and the Issuer will pay to an amount (if any) in the currency in which the Repurchase Agreement is denominated equal to the Final Repurchase Price Payment received by the Issuer on the Final Repo Date to the Swap Counterparty provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.7 Where the Issuer purchases Securities and sells Repo Collateral Securities to the Repo Counterparty in order to fund such purchase, a fee in addition to the relevant Purchase Price or Repurchase Price (as applicable) may be payable by the Issuer to the Repo Counterparty or by the Repo Counterparty to the Issuer depending on prevailing market conditions.

2.8 Where the Issuer purchases Securities, a Repurchase Date shall occur with respect to the proportion of the Repurchase Agreement equal to the Aggregate Amount of Securities being purchased (the "**Purchased Proportion**") and Accrued Interest will be reflected in the Repurchase Price paid by the Repo Counterparty to the Issuer in respect of the Purchased Proportion immediately following any such repurchase.

2.9 *The applicable Variable Information for this paragraph 2 is:*

(a) Initial Repo Purchase Date: [specify]

(b) Repo Collateral Securities: [specify details/relevant criteria, as applicable]

(c) Security Flow Repo Accrued Interest: [Applicable]/[delete if not applicable]

(d) Interim Payment Amount(s): [Interest Amount]/[Premium Amount]/[specify] [NB: more than one such amount may be payable]/[delete if not applicable or if Security Flow Repo Accrued Interest is not applicable]

(e) Swap Flow Repo Accrued Interest: [Applicable]/[delete if not applicable]

(f) Repo Final Payment Flow: [Applicable]/[delete if not applicable]

(g) Repo Final Payment Flow: [Applicable]/[delete if not applicable]

(h) Final Repo Date: [specify]

3. Payments under the Swap Agreement

3.1 On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount.

3.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms:*

On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty which is equal to the Available Proceeds (if any).

3.3 *Where "Initial Condition Precedent" is specified as applicable in the applicable Final Terms*:

The Issuer's obligation to pay the Purchase Price under the Repurchase Agreement and to buy the Repo Collateral Securities will be subject to the condition precedent that the Dealer has determined in its absolute discretion that it has received from the Authorised Offeror an amount equal to the Initial Purchase Payment Amount by no later than the Initial Condition Precedent Time on the Initial Condition Precedent Date. If the Dealer determines that it has not received such amounts, the Swap Counterparty may exercise its option to terminate the Swap Agreement and the Issuer shall repurchase the Securities in accordance with the Repurchase Condition.

3.4 *Where Swap Flow Repo Accrued Interest is specified as applicable in the applicable Final Terms:*

If an Interim Payment Amount is payable in respect of the Securities, the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.5 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms*,

On the Swap Final Issuer Payment Date, the Issuer will pay to the Swap Counterparty an amount (if any) in the currency in which the Repurchase Agreement is denominated equal to the Final Repurchase Price Payment received by the Issuer on the Final Repo Date.

3.6 *Where Swap Final Payment Flow is specified as applicable in the applicable Final Terms*

On or prior to the Final Payment Date, the Swap Counterparty will pay an amount to the Issuer which will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.7 *Where Security Final Payment Flow is specified as applicable in the applicable Final Terms, and the Issuer is due to pay an Aggregate Final Payment Amount which is greater than the Final Repurchase Price Payment:*

On or prior to the Final Payment Date, the Swap Counterparty will pay an amount to the Issuer which, when added to the proceeds due to be received by the Issuer under the Repurchase Agreement on or around such date, will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

3.8 *Where Automatic Early Settlement is applicable in respect of the Securities and Swap Final Payment Flow is not applicable:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs:

(a) where the Aggregate Automatic Early Settlement Amount is greater than the Automatic Early Settlement Repo Payment Amount, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which, when added to the proceeds received by the Issuer from the Repo Counterparty under the Repurchase Agreement on or around such date, will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred; or

(b) where the Aggregate Automatic Early Settlement Amount is equal to the proceeds received by the Issuer from the Repo Counterparty, no further payment will be made under the Swap Agreement (other than in respect of any unpaid Repo Accrued Interest Amounts where Swap Flow Repo Accrued Interest is applicable) and, where the Aggregate Automatic Early Settlement Amount is less than the Automatic Early Settlement Deposit Payment Amount, the Issuer will be obliged to pay an amount to the Swap Counterparty equal to the difference between the proceeds received by the Issuer from the Repo Counterparty under the Repurchase Agreement and the Aggregate Automatic Early Settlement Amount.

3.9 *Where Automatic Early Settlement is applicable in respect of the Securities and Swap Final Payment Flow is specified in the applicable Final Terms:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs provided that no Early Payment Event or Event of Default has occurred:

(a) the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred; and

(b) the Issuer will pay to the Swap Counterparty an amount (if any) in the currency in which the Repurchase Agreement is denominated equal to the amount received by the Issuer under the Repurchase Agreement from the Repo Counterparty on or around the Automatic Early Settlement Date.

3.10 The notional amount of the Swap Agreement will be reduced to take account of any purchase and cancellation of Securities by the Issuer so that the notional amount of the Swap Agreement at any time will be equal to the Aggregate Issue Amount of the Securities left outstanding

3.11 On each Additional Issuer Swap Payment Date, the Issuer will pay the relevant Additional Issuer Swap Payment Amount to the Swap Counterparty.

3.12 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

3.13 Payments under the Swap Agreement will only be made on Swap Business Days.

3.14 If so specified in the applicable Final Terms, one or more Credit Support Structures may apply to the Swap Agreement.

3.15 *The applicable Variable Information for this paragraph 3 is:*

(a) Initial Swap Payment Date: [specify]

(b) Initial Swap Payment Amount:[specify][delete where Alternative Initial Payment Structure is applicable]

(c) Alternative Initial Payment Structure: [Applicable][delete]

(d) Initial Condition Precedent: [Applicable] (where Initial Condition Precedent is not applicable do not replicate paragraph 2.3)

(e) Initial Condition Precedent Date:[specify/delete if Initial Condition Precedent is not applicable]

(f) Initial Condition Precedent Time:[specify/delete if Initial Condition Precedent is not applicable]

(g) Initial Purchase Payment Amount: [specify]/[delete if amount is equal to the Aggregate Issue Amount]

(h) Swap Flow Repo Accrued Interest: [Applicable/[delete if not applicable]

(i) Interim Payment Amount(s): [Interest Amount]/[Premium Amount]/[specify] [*NB: more than one such amount may be payable]/[delete if not applicable or if Swap Flow Repo Accrued Interest is not applicable*]

(j) Swap Payment Final Flow: [Applicable/[delete if not applicable or if Security Final Payment Flow is applicable]

(k) Security Final Payment Flow: [Applicable/[delete if not applicable or if Swap Payment Flow is applicable]

(l) Swap Issuer Final Payment Date: [specify]/[delete]

(m) Scheduled Final Bond Payment Date: [specify]/[delete if not applicable]

(n) Additional Issuer Swap Payment Date: [specify/delete if there is no Additional Issuer Swap Payment Amount]

(o) Additional Issuer Swap Payment Amount: [specify/delete]

(p) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(q) Additional Counterparty Swap Payment Amount: [specify/delete]

(r) Swap Business Days: [specify]

4. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments (if any) when due from the Swap Counterparty pursuant to the Swap Agreement and/or the Repo Counterparty under the Repurchase Agreement in the manner described in paragraphs 2 and 3 above in order to pay (where applicable):

(a) the Automatic Early Settlement Amount in respect of each outstanding Security;

(b) any Interim Payment Amount in respect of each outstanding Security; and/or

(c) the Final Payment Amount on the Final Payment Date in respect of each outstanding Security.

5. Collection of payments

Payments made under the Swap Agreement or Repurchase Agreement to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay the Automatic Early Settlement Amount in respect of each outstanding Security on the Automatic Early Settlement Date (where applicable) or the Final Payment Amount in respect of each outstanding Security on the Final Payment Date.

Charged Asset Structure 8 - Swap Agreement

1. General

1.1 On or before the Issue Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty.

1.2 For further details relating to the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement*".

2. Payments under the Swap Agreement

2.1 On the Initial Swap Payment Date, the Issuer will pay an amount to the Swap Counterparty equal to the Issuer Initial Swap Payment Amount.

2.2 *Where Alternative Initial Payment Structure is specified in the applicable Final Terms:*

On the Initial Swap Payment Date, the Swap Counterparty will pay an amount to the Issuer equal to the Initial Swap Payment Amount.

2.3 *If an Interim Payment Amount is payable in respect of the Securities*: the Swap Counterparty will pay an amount to the Issuer which will be equal to such Interim Payment Amount on or before the date on which such payment is due to be made by the Issuer provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.4 *Where Automatic Early Settlement is applicable in respect of the Securities:*

If, on any Automatic Early Settlement Valuation Date, an Automatic Early Settlement Event occurs, the Swap Counterparty will on or prior to the relevant Automatic Early Settlement Date pay an amount to the Issuer which will be equal to the relevant Aggregate Automatic Early Settlement Amount, provided that no Early Payment Event or Event of Default has occurred.

2.5 On or prior to the Final Payment Date, the Swap Counterparty will pay an amount to the Issuer which will be equal to the aggregate of the Final Payment Amounts that the Issuer is scheduled to pay in respect of the Securities then outstanding, provided that no Automatic Early Settlement Event (where applicable), Early Payment Event or Event of Default has occurred.

2.6 The notional amount of the Swap Agreement will be reduced to take account of any purchase and cancellation of Securities by the Issuer and the reduction of the Aggregate Amount of the Securities as a consequence.

2.7 On each Additional Counterparty Swap Payment Date, the Swap Counterparty will pay the relevant Additional Counterparty Swap Payment Amount to the Issuer.

2.8 Payments under the Swap Agreement will only be made on Swap Business Days.

2.9 *The applicable Variable Information for this paragraph 2 is*:

(a) Initial Swap Payment Date: [specify]

(b) Issuer Initial Swap Payment Amount: [specify]

(c) Alternative Initial Payment Structure: Applicable

- where Alternative Initial Payment Structure is applicable:

(i) Issuer Fees Amount: Applicable/delete

(ii) Additional Issuer Fees Amount: [specify/delete (where not applicable or where Issuer Fees Amount is not applicable]

(iii) Additional Initial Swap Payment Amount: [specify]/delete (if not applicable)]

(iv) Alternative Initial Swap Payment Amount: [specify]/[delete if Issuer Fees Amount is applicable]

(d) Interim Payment Amount: [Interest Amount]/[Premium Amount][specify] [NB: more than one such amount may be payable]/[delete if not applicable]

(e) Additional Counterparty Swap Payment Date: [specify/delete if there is no Additional Counterparty Swap Payment Amount]

(f) Additional Counterparty Swap Payment Amount: [specify/delete]

(g) Swap Business Days: [specify]

3. Arrangements upon which payments to investors are dependent

The Issuer is dependent on receiving payments when due from the Swap Counterparty pursuant to the Swap Agreement in order to pay, if applicable: (a) the Automatic Early Settlement Amount in respect of each outstanding Security, (b) any Interim Payment Amount in respect of each outstanding Security and (c) the Final Payment Amount in respect of each outstanding Security.

4. Collection of payments

Payments made under the Swap Agreement to the Issuer will be paid to the relevant Compartment Account (as defined in the Conditions) and the Issuer will use the moneys standing to the credit of the Compartment Account to pay the Final Payment Amount on the Final Payment Date.

DEFINITIONS

As used in the Charged Asset Structures, the following terms have the meanings set out below:

"**Additional Counterparty Deposit Payment Amount**" means the amount or amounts specified as such in the applicable Final Terms;

"**Additional Counterparty Deposit Payment Date**" means each date specified as such in the applicable Final Terms;

"**Additional Counterparty Swap Payment Amount**" means the amount specified as such in the applicable Final Terms;

"**Additional Counterparty Swap Payment Date**" means each date specified as such in the applicable Final Terms;

"**Additional Initial Swap Payment Amount**" means the amount specified as such in the applicable Final Terms;

"**Additional Issuer Deposit Payment Amount**" means each amount specified as such in the applicable Final Terms;

"**Additional Issuer Deposit Payment Date**" means each date specified as such in the applicable Final Terms;

"**Additional Issuer Fees Amount**" means each amount specified as such in the applicable Final Terms;

"**Additional Issuer Swap Payment Amount**" means each amount specified as such in the applicable Final Terms;

"**Additional Issuer Swap Payment Date**" means each date specified as such in the applicable Final Terms;

"**Additional Proceeds Amount**" means each amount specified as such in the applicable Final Terms;

"**Additional Proceeds Payer**" means the Swap Counterparty or, if Alternative Additional Proceeds Payer is specified in the applicable Final Terms, the Repo Counterparty;

"**Aggregate Amount**" means (a) the Aggregate Nominal Amount where the Securities are Notes, (b) the Aggregate Notional Amount where the Securities are Certificates or (c) the Number of Warrants where the Securities are Warrants;

"**Aggregate Automatic Early Settlement Amounts**" means the aggregate of the Automatic Early Settlement Amounts payable in respect of the relevant Securities;

"**Aggregate Final Payment Amount**" means the aggregate of the Final Payment Amounts payable in respect of the relevant Securities;

"**Aggregate Issue Amount**" means an amount equal to (a) the Aggregate Nominal Amount where the Securities are Notes, (b) Aggregate Notional Amount where the Securities are Certificates, (c) the Number of Warrants multiplied by the Issue Price thereof where the Securities are Warrants or (d) such other amount as specified in the applicable Final Terms;

"**Alternative Initial Swap Payment Amount**" means the amount specified as such in the applicable Final Terms;

"**Authorised Offeror**" is the entity specified as such in the applicable Final Terms;

"**Automatic Early Settlement**" means Automatic Early Redemption where the Securities are Notes or Certificates or Automatic Early Expiration where the Securities are Warrants;

"**Automatic Early Settlement Amount**" means Automatic Early Redemption Amount where the Securities are Notes or Certificates or Automatic Early Expiration Payout Amount where the Securities are Warrants;

"**Automatic Early Settlement Date**" means (a) the Automatic Early Redemption Date where the Securities are Notes or Certificates or (b) the Automatic Early Exercise Date where the Securities are Warrants;

"**Automatic Early Settlement Deposit Payment Amount**" means the proceeds received by the Issuer (excluding amounts payable in respect of accrued interest thereon) from the Deposit Counterparty on or around the Automatic Early Settlement Date;

"**Automatic Early Settlement Event**" means (a) an Automatic Early Redemption Event where the Securities are Notes or Certificates or (b) an Automatic Early Termination Event where the Securities are Warrants;

"**Automatic Early Settlement Reference Security Unwind Proceeds**" means the proceeds payable to the Issuer in respect of the Reference Securities following an Early Settlement Reference Security Unwind;

"**Available Proceeds"** means the net proceeds of issue of the Securities which are not used to pay the purchase price for the Reference Securities or used to pay fees and expenses in connection with administration of the Issuer and/or the Securities;

"**Collateralisation Notional Amount**" means, at any time, an amount equal to the Aggregate Issue Amount of the Securities left outstanding immediately following any repurchase multiplied by the Collateralisation Percentage of the Securities then outstanding;

"**Collateralisation Percentage**" means the percentage specified in the applicable Final Terms;

"**Deposit Agreement**" means, in respect of a Series of Securities, the deposit agreement entered into between the Issuer and the Deposit Counterparty, specified in the applicable Final Terms in connection with the relevant Securities;

"**Early Payment Amount**" means (a) the Early Redemption Amount where the Securities are Notes or Certificates or (b) the Early Termination Amount where the Securities are Warrants;

"**Early Payment Event**" means (a) an Early Redemption Event where the Securities are Notes or Certificates or (b) an Early Termination Event where the Securities are Warrants;

"**Early Settlement Reference Security Unwind**" means one or more of (a) the automatic early redemption of the Reference Securities where Reference Security Automatic Early Redemption is specified as applicable in the applicable Final Terms, (b) a put of the Reference Securities at the option of the Issuer where Reference Security Put is specified as applicable in the applicable Final Terms and/or (c) the sale of the Reference Securities where Reference Security Automatic Settlement Sale is specified as applicable in the applicable Final Terms, as the case may be;

"**Final Bond Payment**" means the amount specified in the applicable Final Terms;

"**Final Deposit Payment**" means the amount specified in the applicable Final Terms;

"**Final Payment Amount**" means (a) the Final Redemption Amount where the Securities are Notes or (b) the Cash Settlement Amount where the Securities are Certificates or Warrants;

"**Final Payment Date**" means (a) the Maturity Date where the Securities are Notes, (b) the Redemption Date where the Securities are Certificates or (c) the Settlement Date where the Securities are Warrants;

"**Final Repo Date**" means the date specified as such in the applicable Final Terms;

"**Final Repurchase Price Payment**" means the Repurchase Price paid to the Issuer by the Repo Counterparty on the Final Repo Date excluding the amount of Accrued Interest paid as part of such Repurchase Price;

"**Initial Bond Purchase Date**" means the date or dates specified as such in the applicable Final Terms;

"**Initial Condition Precedent Time**" means the time specified as such in the applicable Final Terms;

"**Initial Purchase Payment Amount**" means the Aggregate Issue Amount or such other amount specified in the applicable Final Terms;

"**Initial Reference Securities Purchase Date**" means the date or dates specified as such in the applicable Final Terms;

"**Initial Remittance**" means (a) where Full Proceeds is specified in the applicable Final Terms, 100 per cent of the net proceeds of issue of the Securities (the "**Full Proceeds Amount**"), (b) where Partial Proceeds is specified in the applicable Final Terms, a proportion of the net proceeds of issue of the Securities less than 100 per cent thereof (such lower amount, the "**Partial Proceeds Amount**") and (c) where either Full Proceeds or Partial Proceeds is specified and Additional Proceeds is specified as applicable in the applicable Final Terms either the Full Proceeds Amount and Partial Proceeds Amount, as the case may be, plus the Additional Proceeds Amount paid to the Issuer by the Additional Proceeds Payer;

"**Initial Remittance Date**" means the date or dates specified in the applicable Final Terms;

"**Initial Repo Purchase Date**" means the date specified as such in the applicable Final Terms;

"**Initial Swap Payment Amount**" means, where Issuer Fees Amount is specified in the applicable Final Terms, the sum of the Issuer Fees Amount and the Additional Initial Swap Payment Amount (if any) or, if Issuer Fees Amount is not specified as applicable, the Alternative Initial Swap Payment Amount;

"**Initial Swap Payment Date**" means the date specified as such in the applicable Final Terms;

"**Interim Payment Amount**" means an Interest Amount, a Premium Amount or such other amount specified as much in the applicable Final Terms;

"**Issuer Fees Amount**" means the amount payable by the Issuer on or around the Initial Swap Payment Date in respect of fees and expenses payable in connection with the administration of the Issuer and/or the relevant Securities and any Additional Issuer Fees Amount;

"**Issuer Initial Swap Payment Amount**" means the amount which is specified as such in the applicable Final Term;

"**Reference Securities**" means the securities specified as such in the applicable Final Terms;

"**Reference Security Issuer**" means the issuer(s) of the Reference Securities specified in the applicable Final Terms;

"**Reference Security Unwind Date**" means the date specified as such in the applicable Final Terms.

"**Relevant Purchase Conditions**" means (a) Condition 7(i) or Condition 8(h)(ii) where the Securities are Notes or (b) Condition 8(a) or Condition 9(h)(ii) where the Securities are Warrants or (c) Condition 8(i) or Condition 9(h)(ii) where the Securities are Certificates;

"**Relevant Reference Security Interest Payment Date**" means:

(a) the Reference Security Interest Payment Date where the Swap Issuer Interim Payment Date is specified to be the Reference Security Interest Payment Date; or

(b) where the Swap Issuer Interim Payment Date is specified to fall after the Reference Security Interest Payment Date, the immediately preceding the Reference Security Interest Payment Date;

"**Replacement Cost Amount**" is the amount specified as such in the applicable Final Terms;

"**Repo Date**" means each date specified as such in the applicable Final Terms;

"**Repo Unwind Trigger Date**" means the number of Business Days prior to the Final Payment Date set out in the applicable Final Terms;

"**Repurchase Agreement**" means, in respect of a Series of Securities, the repurchase agreement entered into between the Issuer and the Repo Counterparty specified in the applicable Final Terms in connection with the relevant Securities;

"**Repurchase Condition**" means (a) Condition 8(h)(ii) where the Securities are Notes or (b) Condition 9(h)(ii) where the Securities are Certificates or Warrants;

"**Scheduled Final Bond Payment**" means the amount scheduled to be paid by the Reference Security Issuer(s) in respect of the nominal amount of the Reference Securities held by the Issuer on the Scheduled Final Bond Payment Date or where there is more than one Reference Security, the aggregate of such amounts payable by the relevant Reference Security Issuers;

"**Scheduled Final Bond Payment Date**" means the date or dates specified as such in the applicable Final Terms;

"**Swap Agreement**" means, in respect of a Series of Securities, together, one or more derivatives transactions (as amended from time to time) entered into between the Issuer and the Swap Counterparty specified in the applicable Final Terms in connection with the relevant Securities;

"**Swap Business Days**" means the days 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 cities specified in the applicable Final Terms, and/or where TARGET Settlement Day is specified, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) payment system is open;

"**Swap Issuer Interim Payment Date**" means each date specified as such in the applicable Final Terms; and

"**Swap Issuer Final Payment Date**" means the date specified as such in the applicable Final Terms.

DESCRIPTION OF THE CHARGED ASSETS - PART VII – CREDIT SUPPORT STRUCTURES

CREDIT SUPPORT STRUCTURE 1

1. General

1.1 The Swap Counterparty and the Issuer will enter into a Credit Support Deed with respect to the Swap Agreement.

1.2 For further details relating to collateralisation under the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement - Collateralisation*".

2. Credit Support

Under the Credit Support Deed the Swap Counterparty will post collateral for its obligations under the Swap Agreement and grant English law governed security over such collateral in favour of the Issuer. The Issuer will assign its rights under the Credit Support Deed by way of security in favour of the Trustee. However the Collateral does not constitute Charged Assets and is not owned by the Issuer. The Swap Counterparty Collateral (as defined below) will be held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Issuer as custodian in a segregated account in accordance with the terms of the Credit Support Deed.

3. Collateral

3.1 Under the Credit Support Deed the Swap Counterparty will post Swap Counterparty Collateral in respect of its obligations under the Swap Agreement. The "**Swap Counterparty Collateral**" in respect of a Swap Agreement will be those assets specified in the applicable Final Terms.

3.2 The amount of Swap Counterparty Collateral posted by the Swap Counterparty will be adjusted on each Swap Agreement Valuation Date so that it is equal in value, (as multiplied by the valuation percentage applicable to relevant item of collateral), as determined by the Credit Support Valuation Agent acting in its sole and absolute discretion, to the product of the Support Percentage and the MtM Value of the Swap Agreement on such Swap Agreement Valuation Date.

CREDIT SUPPORT STRUCTURE 2

1. General

1.1 The Swap Counterparty and the Issuer will enter into a Credit Support Annex with respect to the Swap Agreement.

1.2 For further details relating to collateralisation under the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement - Collateralisation*".

2. Credit support

Under the Credit Support Annex the Swap Counterparty will transfer collateral for its obligations under the Swap Agreement to the Issuer. The Issuer will assign its rights under the Credit Support Annex by way of security in favour of the Trustee and the Swap Counterparty Collateral will constitute Charged Assets. The Swap Counterparty Collateral will be held by the Custodian on behalf of the Issuer.

3. Collateral

3.1 Under the Credit Support Annex the Swap Counterparty will transfer collateral in respect of its obligations under the Swap Agreement. The "**Swap Counterparty Collateral**" in respect of a Swap Agreement will be those assets specified in the applicable Final Terms.

3.2 The amount of Swap Counterparty Collateral posted by the Swap Counterparty will be adjusted on each Swap Agreement Valuation Date so that it is equal in value, (as multiplied by the valuation percentage applicable to relevant item of collateral), as determined by the Credit Support Valuation Agent acting in its sole and absolute discretion, to the product of the Support Percentage and the MtM Value of the Swap Agreement on such Swap Agreement Valuation Date.

CREDIT SUPPORT STRUCTURE 3

1. General

1.1 The Swap Counterparty and the Issuer will enter into a Credit Support Annex with respect to the Swap Agreement.

1.2 For further details relating to collateralisation under the Swap Agreement, please see "*Description of the Charged Assets – Part II – Description of the Swap Agreement - Collateralisation*".

2. Credit Support

Under the Credit Support Annex the Swap Counterparty will transfer collateral for its obligations under the Swap Agreement to the Issuer and the Issuer will transfer collateral for its obligations under the Swap Agreement to the Swap Counterparty. The Issuer will assign its rights under the Credit Support Annex by way of security in favour of the Trustee and the Swap Counterparty Collateral will constitute Charged Assets. The Swap Counterparty Collateral will be held by the Custodian.

3. Collateral

3.1 Under the Credit Support Annex the Swap Counterparty will transfer Swap Counterparty Collateral in respect of its obligations under the Swap Agreement. The "**Swap Counterparty Collateral**" in respect of a Swap Agreement will be those assets specified in the applicable Final Terms.

3.2 Under the Credit Support Annex the Issuer will transfer Reference Securities to the Swap Counterparty in respect of its obligations under the Swap Agreement (the "I**ssuer Posted Collateral**").

3.3 The amount of Swap Counterparty Collateral transferred by the Swap Counterparty to the Issuer or by the Issuer to the Swap Counterparty will be adjusted on each Swap Agreement Valuation Date so that it is equal in value (as multiplied by the valuation percentage applicable to relevant item of collateral), as determined by the Credit Support Valuation Agent acting in its sole and absolute discretion, to the product of the Support Percentage and the MtM Value of the Swap Agreement on such Swap Agreement Valuation Date. Where Scheduled Cashflow Valuation is specified in the applicable Final Terms, the MtM Value of the Swap Agreement will be determined based on the scheduled cashflows under the Swap Agreement, without reference to any credit or other risk in relation to the Reference Security Issuer.

3.4 The Issuer will not be required to transfer at any time in aggregate a principal amount of the Reference Securities which is greater than the then Aggregate Amount of the Securities as Issuer Posted Collateral under the Credit Support Annex.

CREDIT SUPPORT STRUCTURE 4

This Credit Support Structure shall only be applicable if specified in the applicable Final Terms and if Charged Asset Structure 7 (Repurchase Agreement and Swap Agreement) is specified as applicable.

Under the Repurchase Agreement, the Value of the Repo Collateral Securities which are the subject of the then current Transaction will be determined by the Repo Calculation Agent on each Repo Transaction Valuation Date. If on any Repo Transaction Valuation Date the Issuer has a Net Exposure to the Repo Counterparty exceeding the Minimum Transfer Amount, the Repo Counterparty will transfer further Repo Collateral Securities with a Value at least equal to such Net Exposure with the Issuer as margin on or prior to the Margin Delivery Date; if on any Repo Transaction Valuation Date, the Value of the Repo Collateral Securities is greater than the Repurchase Price by an amount equal to or greater than the Minimum Transfer Amount, then the Issuer will transfer an amount of Repo Collateral Securities with a Value equal to such excess to the Repo Counterparty upon request by the Repo Counterparty.

For this purpose, the Issuer has a "**Net Exposure**" to the Repo Counterparty if the Repurchase Price exceeds the Margin Calculation Value of the Repo Collateral Securities which are the subject of the then current Transaction already transferred to the Issuer by the Repo Counterparty.

Definitions

As used in the Credit Support Structures, the following terms have the meanings set out below:

"**Credit Support Valuation Agent**" means party specified as such in the applicable Final Terms.

"**Margin Calculation Value**" means the Value multiplied by the Over Collateralisation Level.

"**Margin Delivery Date**" means the date specified as such in the applicable Final Terms.

"**Minimum Transfer Amount**" means the amount specified as such in the applicable Final Terms.

"**Over Collateralisation Level**" means the percentage or amount specified as such in the applicable Final terms. If no Over Collateralisation Level is specified in the applicable Final Terms, the applicable Over Collateralisation Level shall be equal to 100 per cent.

"**Repo Transaction Valuation Date**" means the date or dates specified as such in the applicable Final Terms.

"**Support Percentage**" means the percentage specified in the applicable Final Terms.

"**Swap Agreement Valuation Date**" means the date or dates specified as such in the applicable Final Terms.

"**Value**" means the market value or such other value specified in the applicable Final Terms.

FORM OF NOTES

Each Series (and/or Tranche, as the case may be) of Notes will be either Bearer Notes (with or without interest coupons attached) issued outside the United States only in reliance on the exemption from registration provided by Regulation S or Registered Notes (without interest coupons attached) issued outside the United States in reliance on the exemption from registration provided by Regulation S.

Bearer Notes

Each Series (and/or Tranche, as the case may be) of Bearer Notes will be initially issued in the form of a temporary global Note or, if so specified in the applicable Final Terms, a permanent global Note which, in either case, will be delivered on or prior to the original issue date of the Series (and/or Tranche, as the case may be) to a common depositary (the "**Common Depositary**") for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or Euroclear Bank S.A./N.V. ("**Euroclear**").

Bearer Global Notes (as defined in "*Terms and Conditions of the Notes*") will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) or any successor rules substantially identical thereto (the "**TEFRA D Rules**") will apply to the Bearer Notes unless the Bearer Notes do not have a maturity of more than 365 days.

Registered Notes

The Registered Notes of each Series (and/or Tranche, as the case may be) offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a Regulation S Global Note (as defined in "*Terms and Conditions of the Notes*"). Beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes in the form of Regulation S Global Notes will be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Registered Notes (as defined in "*Terms and Conditions of the Notes*").

Payments principal, interest or any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the register kept by the Registrar as the registered holder of the Registered Global Notes. None of the Issuer, BNP Paribas or its affiliates, the Trustee, the Dealer, the Guarantor (if applicable), or any Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Notes Condition 6 (*Payments*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial

owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg.

Certification as to non-U.S. beneficial ownership

Whilst any Bearer Note is represented by a temporary global Note, any amounts payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made outside of the United States against presentation of the temporary global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person ("**Certification**"), as required by U.S. Treasury regulations, (i) has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent or, (ii) in the case of a temporary global Note held otherwise than on behalf of Euroclear and/or Clearstream, Luxembourg, from the holder thereof.

On and after the date (the "**Exchange Date**") which is 40 days after the temporary global Note is issued, interests in such temporary global Note will be exchangeable (free of charge) upon a request as described therein either for, as applicable, (i) interests in a permanent global Note or (ii) Definitive Bearer Notes of the same Series with, where applicable, Receipts, Coupons and Talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the permanent global Note), in accordance with the terms of the temporary global Note against Certification as to beneficial ownership as described above and as required by U.S. Treasury regulations unless such Certification has already been given pursuant to the provisions set forth above. Exchange of a temporary global Note for interests in a permanent global Note will only be made if Definitive Bearer Notes have not already been issued. If Definitive Bearer Notes have already been issued, the temporary global Note may only thereafter be exchanged for Definitive Bearer Notes pursuant to the terms thereof. The holder of a temporary global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due Certification, exchange of the temporary global Note for an interest in a permanent global Note or, in the case of Bearer Notes, for Definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg, as applicable, to or to the order of the holder thereof against presentation or surrender (as the case may be) of the permanent global Note without any requirement for Certification.

All payments, including in respect of interest and principal and whether at maturity or otherwise, will be payable only outside of the United States.

Subject to requirements existing at the time of issue, the following legend will appear on all temporary global Notes, permanent global Notes and definitive Notes which have an original maturity of more than 365 days and on all receipts, interest coupons and talons relating to such Notes:

"Any United States person (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) or any successor rules substantially identical thereto (the "**TEFRA D Rules**") will apply to the Bearer Notes unless the Bearer Notes do not have a maturity of more than 365 days.

Exchange upon the occurrence of an Exchange Event or otherwise

The applicable Final Terms with respect to any Notes issued in global form will specify whether the relevant permanent global Note or Registered Global Note (as applicable) will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached, or, as the case may be, Definitive Registered Notes, upon not less than 60 days' written notice to the Issuing and Paying Agent from or on behalf of, as the case may be, Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in the permanent global Note or Registered Global Note, as described therein (unless otherwise specified in the applicable Final Terms) (a "**Holder Exchange Event**") or, in the case of a permanent global Note, if such Note is held otherwise than on behalf of Euroclear or Clearstream, Luxembourg, the bearer thereof, in the event of the occurrence of any of the circumstances described in (i), (ii), or (iii) or (iv) below (each, an "**Exchange Event**") or by the Issuer in the event of the occurrence of the circumstances described in (iii) below: (i), if applicable, an Event of Default (as defined in Condition 11 of the "*Terms and Conditions of the Notes*") has occurred and is continuing; (ii) in the case of a permanent global Note or a Registered Global Note registered in the name of a common depositary for Euroclear and/or Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or have in fact done so and no successor clearing system is available; (iii) in the case of Definitive Bearer Notes, as a result of any change in, or amendment to the laws of a relevant jurisdiction, upon the Issuer's request where issuance of definitive notes would be adverse to the Issuer but for the issuance of physical securities in bearer form; or (iv) in the case of Registered Notes, the Issuer has or will become subject to adverse tax consequences which would not be suffered were such Registered Notes represented by a Registered Definitive Note. The Issuer will promptly give notice to Noteholders in accordance with Condition 18 (see *"Terms and Conditions of the Notes"*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such global Note or Registered Global Note) may give notice to the Issuing and Paying Agent or, as the case may be, the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

In respect of any Series of Notes, the Holder Exchange Event shall not apply unless the applicable Final Terms provide that such Notes are issued and tradeable only in amounts equal to the minimum Denomination or integral multiples of the minimum denomination (or if more than one, the lowest Denomination).

Clearing Systems

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the relevant Dealer and the Issuing and Paying Agent.

APPLICABLE NOTE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series (and/or Tranche, as the case may be) of Notes issued under the Programme. Placeholders are included as an aid to review and the Final Terms relating to any Series of Notes will be completed with such information from the Base Prospectus (including the Terms and Conditions) as is applicable to such Notes. References in the Base Prospectus (including in the applicable Terms and Conditions) to "the Securities" shall when replicated in these Final Terms be replaced with references to the Notes.

[Date]

SecurAsset S.A.

acting through its Compartment [●]

Issue of [up to] [Aggregate Nominal Amount of Series/Tranche] [Title of Notes] [Guaranteed by [BNP Paribas/Banca Nazionale del Lavoro S.p.A] on the terms set out herein] under the €20,000,000,000 Secured Note, Warrant and Certificate Programme

PART A- CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth under the heading "*Terms and Conditions of the Notes*" in the Base Prospectus dated 27 November 2015 (the "**Base Prospectus**") [[which constitutes a base prospectus for the purposes of the Prospectus Directive and the Prospectus Act 2005][1]. This document constitutes the Final Terms of the Notes described herein [for the purposes of article 5.4 of the Prospectus Directive and article 8.4 of the Prospectus Act 2005 [2] and must be read in conjunction with the Base Prospectus [(which includes the provisions of [Annex 1] [and] [Annex 2] in the case of Index Linked Notes,] [Annex 3 in the case of Share Linked Notes], [Annex 4 in the case of Debt Linked Notes], [Annex 5 in the case of Commodity Linked Notes], [Annex 6 in the case of Inflation Linked Notes], [Annex 7 in the case of Currency Linked Notes], [Annex 8 in the case of Fund Linked Notes], [Annex 9 in the case of Underlying Interest Rate Linked Notes], [Annex 10 in the case of Credit Linked Notes] and [Annex 11 in the case of ETI Linked Notes)][3] and any Supplement(s) to such Base Prospectus published prior to the Issue Date (as defined below) (the "**Supplements**")[4]; provided, however, that to the extent any such Supplement (i) is published after the date of these Final Terms and (ii) provides for any change to the Conditions as set out under the heading "*Terms and Conditions of the Notes*" in the Base Prospectus, such change(s) shall have no effect with respect to the Conditions of the Notes to which these Final Terms relate. Full information on the Issuer [, the Guarantor (if applicable)] and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and any Supplement(s). Prior to acquiring an interest in the Notes described herein, prospective investors should read and understand the information provided in the Base Prospectus and any Supplement(s). Copies of the Base Prospectus, any Supplement(s) and these Final Terms are available for inspection from the specified office of the Issuing and Paying Agent [and on the website of the Luxembourg Stock Exchange (www.bourse.lu)][6].

N.B. when using a post-1 July 2012 approved Base Prospectus to tap a previous issue under a previously approved Base Prospectus, the final terms in the post-1 July 2012 Base Prospectus may (and will if the

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1 Delete in the case of any issue of Private Placement Notes.

2 Delete in the case of any issue of Private Placement Notes.

3 Delete as applicable.

4 Where applicable, include the date of any Supplements which have been published prior to the date of the Final Terms.

5 Delete in the case of any issue of Private Placement Notes or amend as necessary in the case of any issue of Notes which is non-exempt and which will not be listed on the Luxembourg Stock Exchange.

6 Delete in the case of any issue of Private Placement Notes or amend as necessary in the case of any issue of Notes which is non-exempt and which will not be listed on the Luxembourg Stock Exchange.

previous issue was contemplated under a pre-1 July 2012 Base Prospectus) take a different form to the final terms used for the original issue being tapped. 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.

[The following alternative language applies in respect of issues of Notes where the public offer period spans an update to the Base Prospectus. If relevant, the update of the 2016 Base Prospectus will contain a list of offers for which the provisions of the paragraph below apply. Investors will be informed of their withdrawal rights in respect of such offers by notice when the 2016 Base Prospectus is published.][7]

[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 27 November 2015 [and the Supplement to the Base Prospectus dated [●]] ([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 Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and (i) prior to the approval date, must be read in conjunction with the 2015 Base Prospectus, as supplemented, and (ii) on and after the approval date, must be read in conjunction with the 2016 Base Prospectus, save in respect of the Conditions which are extracted from the 2015 Base Prospectus, as supplemented. The 2015 Base Prospectus, as supplemented, constitutes, and the 2016 Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on SecurAsset (the "**Issuer**") and the offer of the Notes is only available on the basis of the combination of these Final Terms and either (i) prior to the approval date, the 2015 Base Prospectus, as supplemented, or (ii) on or after the approval date, the 2015 Base Prospectus, as supplemented, and the 2015 Base Prospectus. [The 2015 Base Prospectus, as supplemented, and these Final Terms are available [on [*website*]], and the 2016 Base Prospectus will be available for viewing at [*address*] [and] [*website*] and copies may be obtained from [*address*].]]

[Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

1.	(i)	Series Number:	[*specify*]
	(ii)	Tranche Number:	[*specify*] [The Notes are to be consolidated and form a single series with [*insert title of relevant series of Notes*] issued on [*insert issue date*], the terms and conditions of which are governed by [the SecurAsset base prospectus dated 6 February 2009 (the "**2009 Base Prospectus**")][as supplemented by the supplement to the 2009 Base Prospectus dated 20 May 2009 (the "**May 2009 Supplement**")][and the supplement to the 2009 Base Prospectus dated 17 August 2009 (the "**August 2009 Supplement**")][the SecurAsset base prospectus dated 3 February 2010 (the "**2010 Base Prospectus**")][and the

[7] Please note that if, for any reason, the 2016 Base Prospectus is not approved, the offer period for such issues must ceasure upon the expiry of the validity of the 2015 Base Prospectus.

			supplement to the 2010 Base Prospectus dated 31 August 2010 (the "**August 2010 Supplement**")][the SecurAsset base prospectus dated 23 February 2011 (the "**February 2011 Base Prospectus**")][the SecurAsset base prospectus dated 1 September 2011 (the "**September 2011 Base Prospectus**")][the SecurAsset base prospectus dated 1 June 2012 (the "**First June 2012 Base Prospectus**")][the SecurAsset base prospectus dated 29 June 2012 (the "**2012 Base Prospectus**")][and the supplement to the 2012 Base Prospectus dated 18 October 2012 (the "**October 2012 Supplement**")][and the supplement to the 2012 Base Prospectus dated 18 June 2013 (the "**June 2013 Supplement**")][the SecurAsset base prospectus dated 27 November 2013 (the "**2013 Base Prospectus**")][and the supplement to the 2013 Base Prospectus dated 23 April 2014 (the "**April 2014 Supplement**")][the SecurAsset base prospectus dated 27 November 2014 (the "**2014 Base Prospectus**")][and the supplement to the 2014 Base Prospectus dated 26 June 2015 (the "**June 2015 Supplement**"). The Notes [became][will become] fungible on [*insert date*].]
	(iii)	Type of Notes:	The provisions of Annex I [and] [the provisions of Annex 2 (Additional Terms and Conditions for Index Linked Securities) shall apply.] [The provisions of Annex 3 (Additional Terms and Conditions for Share Linked Securities) shall apply.] [The provisions of Annex 4 (Additional Terms and Conditions for Debt Linked Securities) shall apply.][The provisions of Annex 5 (Additional Terms and Conditions for Commodity Linked Securities) shall apply][The provisions of Annex 6 (Additional Terms and Conditions for Inflation Linked Securities) shall apply.] [The provisions of Annex 7 (Additional terms and Conditions for Currency Linked Securities) shall apply.][The provisions of Annex 8 (Additional Terms and Conditions for Fund Linked Securities) shall apply.][The provisions of Annex 9 (Additional Terms and Conditions for Underlying Interest Rate Linked Securities) shall apply.][The provisions of Annex 10 (Additional Terms and Conditions for Credit Linked Securities) shall apply.]
2.	[(i)]	Guaranteed Notes:	[Not applicable] [Applicable – General Guarantee] [Applicable – Shortfall Guarantee (specify shortfall amount)] [Applicable – BNL Guarantee (*in respect of Notes with a denomination of at least €100,000 only*)]
	[(ii)]	Guarantor:	[BNP Paribas][Banca Nationale del Lavoro S.p.A. (*BNL may only guarantee Notes with a denomination of at least €100,000*)]
3.	(i)	Specified Currency:	[*specify*]

(ii) Settlement Currency: [*specify*]

[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 and can be deleted if the Specified Currency and the Settlement Currency are the same*).

Reference Jurisdiction: [*specify*]]

4. Aggregate Nominal Amount:

(i) Series: [*specify*] [An amount not greater than [*specify*] which will be notified to the Issuer by [*specify*] on or around [*specify*]]

(ii) Tranche: [*specify*]

5. 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 good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner to be appropriate] and acting in good faith and in a commercially reasonable manner.]

6. Minimum Trading Amount: [*specify*]

7. (i) Specified Denominations: [*specify*]

(N.B. Following the entry into force of the 2010 PD Amending Directive on 31 December 2010, Notes to be admitted to trading on a regulated market within the European Economic Area with a maturity date which will fall after the implementation date of the 2010 PD Amending Directive in the relevant European Economic Area Member State (which is due to be no later than 1 July 2012) must have a minimum denomination of €100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities. Similarly, Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of €100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)

(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*]. *No Notes in definitive form will be issued with a denomination above* [*€199,000*]*.")*
	(ii)	Calculation Amount (*Applicable to Notes in definitive form*):	(*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.*)
8.	[(i)]	[Issue Date [and Interest Commencement Date]:]	[*specify*]
	[(ii)]	[Interest Commencement Date (if different from the Issue Date):**]**	[*specify*]
9.	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**") [Maturity Date Postponement: [Applicable as set out in Condition 7(h)/Not applicable] (*Where applicable, specify relevant Postponement Business Days and Payment Delay Days*)
10.	Form of Notes:		[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note] [Permanent Bearer Global Note] which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time ("**Holder Exchange Event**")/only upon an Exchange Event]. *[N.B. if Holder Exchange Event applies, global Notes are exchangeable only for Definitive Notes in an amount equal to the lowest Specified Denomination and no smaller tradeable integral multiple is permitted].* [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.]] [Registered Notes: Registered Global Note ([●] nominal amount)/Registered Notes in definitive form (*specify nominal amounts*)]
11.	Interest Basis:		[[*specify*] per cent. Fixed Rate][[LIBOR/EURIBOR] +/- [*specify*] per cent. Floating Rate][Zero Coupon][Currency Linked Interest][Index Linked Interest][Share Linked

		Interest][Debt Linked Interest][Inflation Linked Interest][Commodity Linked Interest][Fund Linked Interest][Underlying Interest Rate Linked Interest][ETI Linked Interest][Currency Linked Interest] [Hybrid Interest][and Dual Currency Interest] [***N.B. If the Notes are Dual Currency Interest Notes, another Interest Basis must always be specified.***] (further particulars specified below) Interest Rate($_{i-1}$): [[specify] per cent. per annum / Not applicable] Condition to Interest Payment: [Applicable as set out in Condition 5(e)/Not applicable]
12.	Coupon Switch:	[Applicable/Not applicable] [*If applicable*: [Coupon Switch Election: Applicable]/[Automatic Coupon Switch: Applicable [*insert relevant provisions from Conditions*]]
	Pre-Switch Coupon:	[*specify Interest Basis*] – [Fixed Rate]/[Floating Rate]/[Linked Interest: [SPS Fixed Coupon]/[SPS Variable Amount Coupon]/[Digital Coupon]/[Snowball Digital Coupon]/[Accrual Digital Coupon]/[Stellar Coupon]/[Cappuccino Coupon]/[Ratchet Coupon]/[Driver Coupon]/[Nova Coupon]/[Sum Coupon]/[Option Max Coupon]/[FX Vanilla Coupon]/[FI Digital Coupon]/[FX Digital Coupon]/[Range Accrual Coupon]/[FX Range Accrual Coupon]/[FX Memory Coupon]/[Combination Floater]/[PRDC Coupon]/[FI Digital Floor Coupon]/[FI Digital Cap Coupon]/[FI Target Coupon]] (see items [*specify*] below)
	Post-Switch Coupon:	[specify Interest Basis] – [Fixed Rate]/[Floating Rate]/[Linked Interest: [SPS Fixed Coupon]/[SPS Variable Amount Coupon]/[Digital Coupon]/[Snowball Digital Coupon]/[Accrual Digital Coupon]/[Stellar Coupon]/[Cappuccino Coupon]/[Ratchet Coupon]/[Driver Coupon]/[Nova Coupon]/[Sum Coupon]/[Option Max Coupon]/[FX Vanilla Coupon]/[FI Digital Coupon]/[FX Digital Coupon]/[Range Accrual Coupon]/[FX Range Accrual Coupon]/[FX Memory Coupon]/[Combination Floater]/[PRDC Coupon]/[FI Digital Floor Coupon]/[FI Digital Cap Coupon]/[FI Target Coupon]] [*Insert relevant provisions, replicating relevant prompts from items 28(xv) as applicable, below*]
	Additional Switch Coupon:	[Applicable/Not applicable][*If applicable:*
	Additional Switch Coupon Amount:	[*specify*] [Calculation Amount × [●]%]] [Where a Coupon Switch occurs [in][on] is payable [in][on] [*specify*], [Calculation Amount × [●]%]] (*Repeat as necessary*)
	Additional Switch Coupon Payment	[*specify*]

	Date:	
	Coupon Switch Date(s):	[*specify*]
13.	Redemption/Payment Basis:	[Redemption at par][[*specify*] per cent. of nominal amount][Index Linked Redemption][Share Linked Redemption][Debt Linked Redemption][Inflation Linked Redemption][Currency Linked Redemption][Commodity Linked Redemption][Fund Linked Redemption][Underlying Interest Rate Linked Redemption][Credit Linked Redemption][ETI Linked Redemption][Currency Linked Redemption][Hybrid Redemption] [Instalment][and Dual Currency Redemption][***N.B. If the Notes are Dual Currency Redemption Notes, another Redemption/Payment Basis must always be specified.***] Payout Switch: [Applicable/Not applicable] [Payout Switch Election: [Applicable/Not Applicable]] Switched Payouts: [*specify*] Payout Switch Date: [*specify*] Automatic Payout Switch: [Applicable][Not applicable] [*If applicable replicate relevant provisions from Condition 7(p)*] Condition to Final Payout Premium: [Applicable as set out in Condition 7(r)/Not applicable]
14.	Exchange Rate:	[*specify*]/[Not applicable]
15.	Trade Date:	[*specify*]
16.	Strike Date:	[*specify*]/[Not applicable] [Currency Convention: [As per Currency Linked Condition 1]/[Modified Following Currency Convention]/[Preceding Currency Convention]] (*N.B. Only applicable to Currency Linked Notes*)
17.	Strike Day:	[*specify*]
18.	Strike Period:	[*specify*]
19.	Strike Price:	[*specify*]/[Not applicable]
20.	Averaging:	Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [*specify*].] (*Not applicable to Inflation Linked or Index Linked Notes*) [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will

		apply.] *(N.B. Not applicable to Index Linked Notes relating to a Custom Index or Commodity Linked Notes*)
		[Currency Convention: [As per Currency Linked Condition 1]/[Modified Following Currency Convention]/[Preceding Currency Convention]] (*N.B. only applicable to Currency Linked Notes*)
		[In the event that an Averaging Date is a Disrupted Day, the provisions of Annex 2 will apply] (*N.B. Only applicable to Index Linked Notes relating to a Custom Index*)
21.	Observation Dates:	[*specify*]/[Not applicable]
		[Currency Convention: [As per Currency Linked Condition 1]/[Modified Following Currency Convention]/[Preceding Currency Convention]] (*N.B. only applicable to Currency Linked Notes*)
		[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (*N.B. Not applicable to Index Linked Notes relating to a Custom Index or Commodity Linked Notes*)
		[In the event that an Observation Date is a Disrupted Day, the provisions of Annex 2 will apply] (*N.B. Only applicable to Index Linked Notes relating to a Custom Index*)
22.	Observation Period:	[*specify*]/[Not applicable] (*Not applicable to Inflation Linked Notes*)
23.	Additional Disruption Events:	[Applicable/Not applicable]/[Change in Law/Hedging Disruption] does not apply to the Notes]
24.	Optional Additional Disruption Events:	The following Optional Additional Disruption Events apply to the Notes:
		(*Specify each of the following which applies. N.B. Optional Additional Disruption Events are applicable to certain Index Linked Notes, Share Linked Notes, ETI Linked Notes and Commodity Linked Notes. Careful consideration should be given to whether Optional Additional Disruption Events would apply for Debt Linked Notes, Currency Linked Notes and Fund Linked Notes.*)
		[Increased Cost of Hedging]
		[Increased Cost of Stock Borrow]
		[Insolvency Filing]
		(*N.B. Only applicable in the case of Share Linked Notes*)

[Cancellation Event]

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

[Loss of Stock Borrow]

[[Stop-Loss Event]

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

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

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

(*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 [*specify*].

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

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

[*if applicable*:

Protected Amount: [[ ] per cent. of the Specified Denomination] [*Specify any applicable rates for the purposes of Condition 7(o)*]

25. Knock-in Event[8]: [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) SPS Knock-in Valuation: [Applicable/Not applicable]

(*If applicable replicate relevant provisions from Payout Condition 1*)

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[8] Only applicable in relation to Index Linked Notes, Share Linked Notes, Debt Linked Notes, ETI Linked Notes, Commodity Linked Notes and Currency Linked Notes.

			[If SPS Knock-in Valuation is not applicable and the Notes are Currency Linked Notes, specify if FX Knock-in Valuation is applicable]. [If FX Knock-in Valuation is applicable, replicate relevant provisions from Payout Condition 1] [FX Coupon Performance: [Applicable/Not applicable]] [Performance Value: [Applicable/Not applicable]]
	(ii)	Level:	[Official level]/Official close]/[last price]/[traded price]/[bid price]/[asked price][Not applicable]
	(iii)	Knock-in Level/Knock-in Range Level:	[*specify*][FX Knock-in Level] [*If FX Knock-in Level is specified, replicate relevant provisions from the Payout Condition 1]*
	(iv)	Knock-in Period Beginning Date:	[*specify*]
	(v)	Knock-in Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(vi)	Knock-in Determination Period:	[*specify*]
	(vii)	Knock-in Determination Day(s):	[*specify*]/[Each [Scheduled Trading Day/Scheduled Custom Index Business Day/ Commodity Business Day/Fund Business Day/Business Day]in the Knock-in Determination Period]
	(viii)	Knock-in Period Ending Date:	[*specify*]
	(ix)	Knock-in Period Ending Date Day Convention:	[Applicable/Not applicable]
	(x)	Knock-in Valuation Time:	[*specify*]/[Valuation Time]/[Any time on a Knock-in Determination Day]/Not applicable]
	(xi)	Knock-in Value:	[*specify*]
	(xii)	Knock-in Observation Price Source:	[*specify*]
26.	Knock-out Event[9]:		[Applicable/Not applicable] [*If applicable*:

[9] Only applicable in relation to Index Linked Notes, Share Linked Notes, Debt Linked Notes, ETI Linked Notes, Commodity Linked Notes and Currency Linked Notes.

		[*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)	SPS Knock-out Valuation:	[Applicable/Not applicable] [*If applicable replicate relevant provisions from Conditions*] [*If SPS Knock-out Valuation is not applicable and the Securities are Currency Securities, specify if FX Knock-out Valuation is applicable*] [*If FX Knock-out Valuation is applicable, replicate relevant provisions from Payout Condition 1*] [FX Coupon Performance: [Applicable/Not applicable]] [Performance Value: [Applicable/Not applicable]]
(ii)	[Price][Level]:	[Official level]/[Official close]/[last price]/[bid price]/[asked price][Not applicable]
(iii)	Knock-out [Price][Level] /Knock-out Range [Price][Level]:	[*specify*][FX Knock-out Level] [*If FX Knock-out Level is specified, replicate relevant provisions from Payout Condition 1*]
(iv)	Knock-out Period Beginning Date:	[*specify*]
(v)	Knock-out Period Beginning Date Day Convention:	[Applicable/Not applicable]
(vi)	Knock-out Determination Period:	[*specify*]
(vii)	Knock-out Determination Day(s):	[*specify*]/[Each [Scheduled Trading Day/Scheduled Custom Index Business Day/Commodity Business Day/Fund Business Day/Business Day] in the Knock-out Determination Period]
(viii)	Knock-out Period Ending Date:	[*specify*]
(ix)	Knock-out Period Ending Date Day Convention:	[Not applicable/Applicable]
(x)	Knock-out Valuation Time:	[*specify*]/[Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]

	(xi)	Knock-out Value:	[*specify*]
	(xii)	Knock-out Observation Price Source:	[*specify*]
27.	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

28.	Interest:		[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)	Specified Period:	[*specify*]
	(vi)	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*)
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[*specify*]
	(viii)	Margin(s):	[[+/-][*specify*] per cent. per annum / Not applicable]
	(ix)	Minimum Interest Rate:	[[*specify*] per cent. per annum / Not applicable]
	(x)	Maximum Interest Rate:	[[*specify*] per cent. per annum / Not applicable]
	(xi)	Rate Multiplier:	[*specify*][Not applicable]
	(xii)	Day Count Fraction:	[*specify*] / [unadjusted]
	(xiii)	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))*

(xiv) 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 Linked Notes where Accrual to Redemption is Not Applicable*]]
(xv) Coupon Rate:	[Fixed Rate] [Floating Rate] [Linked Interest]
Include one or more of the following if applicable[11]:	[SPS Fixed Coupon [*Replicate formula, relevant values and other related provisions from Payout Condition 1*]] [SPS Variable Amount Coupon [*Replicate formula, relevant values and other related provisions from Payout Condition 1*]] [Digital Coupon applicable: [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*] [Rate: [Fixed Rate] [Floating Rate] [Vanilla Call Rate [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]] [Vanilla Call Spread Rate [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]] [Snowball Digital Coupon applicable: [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*] [Rate: [Fixed Rate] [Floating Rate] [Vanilla Call Rate

[11] Refer to the contents page relating to Annex 1 (*Additional Terms and Conditions for Payouts*), which is on pages 610-614, for details of the location within the Payout Conditions of the terms and conditions that are applicable to the Securities given the Coupon/Premium Amount Rate, Payout or Entitlement Amount elections above.

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Accrual Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Stellar Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Cappuccino Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Ratchet Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Driver Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Nova Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Sum Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Option Max Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FX Vanilla Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FI Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FX Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Range Accrual Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FX Range Accrual Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FX Memory Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[Combination Floater applicable:

[*Replicate formula, relevant value(s) and other related provisions from Pay*out *Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[PRDC Coupon applicable:

[*Replicate formula and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FI Digital Floor Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FI Digital Cap Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

[FI Target Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate – [Screen Rate Determination/ISDA Determination/FBF Determination]]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]]

29. Fixed Rate Provisions: **[**Applicable – the Notes are Fixed Rate Notes/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: [*specify*] per cent. [per annum]

(ii) Fixed Coupon Amount(s): [[*specify*] per Calculation Amount] / [Not applicable]

(iii) Broken Amount(s): [Applicable / Not applicable]

30. Floating Rate Provisions: [Applicable – the Notes are Floating Rate Notes/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*)]
	(iii)	Screen Rate Determination:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
		(a) Reference Rate:	[LIBOR/EURIBOR/specify]
		(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*)
		(e) Reference Banks:	[As per Condition 5][*specify*]
	(iv)	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*]
31.	FBF Determination:		[Applicable/Not applicable] [*If applicable*: [*specify relevant terms*]]
32.	Zero Coupon Provisions:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[*specify*] per cent. per annum
	(ii)	Reference Price:	[*specify*]
33.	Index Linked Interest Provisions:		[Applicable – the Notes are Index Linked Interest

		Notes/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Index/Basket of Indices:	[*specify*] [The [*specify*] Index is a [Component Security]/[Multi-Exchange] Index.][12] [The [*specify*] Index is a Custom Index.][13]
(ii)	Index Currency:	[*specify*]
(iii)	Screen Page:	[*specify*]
(iv)	Interest Valuation Date(s):	[*specify*]
(v)	Specified Maximum Days of Disruption:	[*specify*] Scheduled Trading Days]
(vi)	Exchange Business Day:	[(All Indices Basis)/(Per Index Basis)/(Single Index Basis)]
(vii)	Scheduled Trading Day:	[(All Indices Basis)/(Per Index Basis)/(Single Index Basis)] (*must match election made for Exchange Business Day*)
(viii)	Exchange(s) and Index Sponsor:	(a) The relevant Exchange[s] [is/are] [*specify*]; and (b) The relevant Index Sponsor is [*specify*].
(ix)	Related Exchange:	[*specify*/[All Exchanges]]
(x)	Settlement Price:	[Official opening level]/[Official closing level][price at the Valuation Time] [*specify*]
(xi)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [*specify*]. Each such Weighting shall be subject to adjustment in accordance with Index Linked Condition 2]/[*specify*]. (*N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices*)]
(xii)	Valuation Time:	[Scheduled Closing Time/Any time [on the relevant Settlement Price Date/during the Observation Period.] [*specify*] (*N.B. if no time is specified, the Interest Valuation Time will be the Scheduled Closing Time*)
(xiii)	Index Correction Period:	[As per Index Linked Condition 6/*specify*]
(xiv)	Delayed Redemption on the	[Applicable/Not applicable]

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

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

		Occurrence of Index Adjustment Event:	[if applicable: Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
	(xv)	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 Index Linked Condition 4]/[specify](*N.B. if no time is specified, the Interest Valuation Time will be the Scheduled Closing Time*)
		(d) Custom Index Correction Period:	[As per Index Linked Condition 8]/[specify]
		(e) Custom Index Disruption Event:	[[Specified Maximum Days of Disruption will be equal to: [*specify*]/[As per Index Linked Condition 6]] (*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/Not applicable] [if applicable: Protected Amount: [*specify*] per cent. of the Specified Denomination]]
34.	Share Linked Interest Provisions		[Applicable – the Notes are Share Linked Interest Notes /Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Share(s)/Share Company/Basket of Shares/GDR/ADR:	[*specify*] [GDR/ADR applicable] [Insert GDR/ADR][14]
	(ii)	Relative Performance	[Not applicable/*specify*]

[14] 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).

	Basket:	
(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)]
(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] [*specify*].
(x)	Related Exchange(s):	[*specify*/All Exchanges]
(xi)	Settlement Price:	[Official closing price]/[Italian Securities Reference Price]/[level at the Valuation Time]] [*specify*]
(xii)	Weighting:	[Not applicable/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 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 [*specify*]] (*N.B. If no time is specified, the Interest Valuation Time will be the Scheduled Closing Time*)
(xiv)	Share Correction Period:	[As per Share Linked Condition 4/*specify*]
(xv)	Market Disruption:	Specified Maximum Days of Disruption will be equal to [*specify*]/[eight]: (*If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to eight*)
(xvi)	Tender Offer:	[Applicable/Not applicable]
(xvii)	Listing Change:	[Applicable/Not applicable]
(xviii)	Listing Suspension:	[Applicable/Not applicable]
(xix)	Illiquidity:	[Applicable/Not applicable]

	(xx)	Delayed Redemption on the Occurrence of an Extraordinary Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
35.	Debt Linked Interest Provisions:		[Applicable – the Notes are Debt Linked Interest Notes /Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Debt Securities:	[*specify*]
	(ii)	Nominal Amount:	[The relevant nominal amount is [●] and the Relevant Screen Page is [●].][Not applicable]
	(iii)	Reference Price:	[The Reference Price[s] for [*specify relevant Debt Securities*] is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]
	(iv)	Exchange Business Day Centre(s):	[*specify*]
	(v)	Valuation Time:	[*specify*]
	(vi)	Interest Valuation Date:	[*specify*]
	(vii)	Specified Maximum Days of Disruption:	[As defined in Condition 5 of Annex 4 (*Additional Terms and Conditions for Debt Linked Securities*)]/[[*specify*] Scheduled Trading Days.]
	(viii)	Delayed Redemption on Occurrence of Debt Security Redemption Event:	[Applicable/Not applicable] [*If applicable:* Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
	(ix)	Debt Security Issuer:	[ ]/[Not applicable]
	(x)	Debt Security Correction Period:	[As per the Conditions]/[ ]/[Not applicable]
	(xi)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Securities to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
36.	Inflation Linked Interest Provisions:		[Applicable – the Notes are Inflation Linked Interest Notes/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:	[*specify*] [Composite/non Composite]
(ii)	Screen Page/Exchange Code:	[*specify*]
(iii)	Cut-Off Date:	[*specify*]/[Not applicable]
(iv)	Related Bond:	[*specify*]/Fall Back Bond
(v)	Issuer of Related Bond:	[*specify*]/[Not applicable]
(vi)	Fall Back Bond:	[Applicable/Not applicable]
(vii)	Index Sponsor:	[*specify*]
(viii)	Related Bond Redemption Event:	[Applicable/Not applicable]
(ix)	Valuation Date:	[*specify*]

37. Commodity Linked Interest Provisions: [Applicable – the Notes are Commodity Linked Interest Notes/Not applicable]

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

(i)	Commodity/Commodities/ Commodity Index/ Commodity Indices:	[*specify*] [The Sponsor[s] of the Commodity Index/Indices is/are [*specify*]]
(ii)	Pricing Date(s):	[*specify*]
(iii)	Initial Pricing Date:	[*specify*]
(iv)	Final Pricing Date:	[*specify*]
(v)	Commodity Reference Price:	[*specify*] The Price Source is/are [*specify*]
(vi)	Delivery Date:	[*specify*] / [Not applicable]
(vii)	Nearby Month:	[*specify*]/ [Not applicable]
(viii)	Specified Price:	[*specify*]/ [Not applicable]
(ix)	Exchange(s):	The relevant Exchange[s] [is/are] [*specify*] / [Not applicable].

(x)	Specified Maximum Days of Disruption:	[*specify*]/[As per Commodity Linked Condition 3] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five) (applicable only to Price Source Disruption or Trading Disruption*)
(xi)	Disruption Fallback(s):	[As per Commodity Linked Condition 5.]/[Not applicable]
(xii)	Weighting:	[Not applicable/[*specify*]. Each such Weighting shall be subject to adjustment in accordance with Commodity Linked Condition 3]
38.	Fund Linked Interest Provisions:	[Applicable – the Notes are Fund Linked Interest Notes/Not applicable]
(i)	Fund/Fund Basket:	[*specify*] [The [*specify*] Fund is a Mutual Fund] [The [*specify*] Fund is a Hedge Fund] [The [*specify*] Fund is a Private Equity Fund]
(ii)	Fund Shares:	[*specify applicable interests in the Fund(s)*]
(iii)	Fund Documents:	[As per Fund Linked Condition 1][*specify*]
(iv)	Fund Business Day:	[All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis]
(v)	Fund Service Provider:	[As per Fund Linked Condition 1]/[*specify*][*Insert name*]
(vi)	Calculation Date(s):	[As per Fund Linked Condition 1]/[*specify*] [*Insert date*]
(vii)	Initial Calculation Date:	[As per Fund Linked Condition 1]/[*specify*]
(viii)	Final Calculation Date:	[*specify*]
(ix)	Hedging Date:	[*specify*]
(x)	NAV Trigger Percentage:	[As per Fund Linked Condition 1]/[*specify*]
(xi)	NAV Trigger Period:	[As per Fund Linked Condition 1]/[*specify*]
(xii)	Number of NAV Publication Days:	[As per Fund Linked Condition 1]/[*specify*]
(xiii)	AUM Level:	[As per Fund Linked Condition 1]/[*specify*]
(xiv)	Basket Trigger Level:	[*specify*]/[As per Fund Linked Condition 1]
(xv)	Interest Valuation Date:	[*specify*]
(xvi)	Termination Date:	[*specify*]

(xvii)	Weighting:	[Not applicable/[*specify*]. Each such Weighting shall be subject to adjustment in accordance with Fund Linked Condition 4]
(xviii)	Delayed Redemption on Occurrence of an Extraordinary Fund Event:	[Applicable/Not applicable] [if applicable: Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
(xix)	Delayed Payment Cut-Off Date:	[As per Fund Linked Condition 1]/[*specify*]

39.	Underlying Interest Rate Linked Interest Provisions:	[Applicable – the Notes are Underlying Interest Rate Linked Interest Notes/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate$_1$:" and "Underlying Interest Rate$_2$:" and repeat paragraphs 39(i) to (vii) below, as applicable*)
(i)	Underlying Interest Determination Date(s):	[*specify*]
(ii)	Manner in which the Underlying Interest Rate is to be determined:	[Screen Rate Determination/ISDA Determination]
(iii)	Screen Rate Determination:	
(a)	Underlying Reference Rate:	[*specify*] *(Either LIBOR, EURIBOR or other)*
(b)	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)*
(c)	Relevant Screen Page:	[*specify*]
(iv)	ISDA Determination:	
(a)	Floating Rate Option:	[*specify*]
(b)	Designated Maturity:	[*specify*]
(c)	Reset Date:	[*specify*]
(v)	Underlying Margin(s):	[+/-][●] per cent. per annum

(vi)	Minimum Underlying Reference Rate:	[●] per cent. per annum
(vii)	Maximum Underlying Reference Rate:	[●] per cent. per annum

40.	ETI Linked Interest Provisions:		[Applicable – the Notes are ETI Linked Interest Notes/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	ETI/ETI Basket:	[*specify*]
	(ii)	ETI Interest(s):	[*Insert type of ETI Interest(s)*]
	(iii)	ETI Related Party:	[As per ETI Linked Condition 1]/[*specify*]
	(iv)	Exchange(s):	[The relevant Exchange[s] [is/are] [*specify*]/[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 ETI Linked Condition 1]/[*specify*]
	(ix)	Initial Calculation Date:	[As per ETI Linked Condition 1]/[*specify*]
	(x)	Final Calculation Date:	[*specify*]
	(xi)	Hedging Date:	[*specify*]
	(xii)	Investment/AUM Level:	[As per ETI Linked Condition 1][*specify*]
	(xiii)	Value per ETI Interest Trading Price Barrier:	[As per ETI Linked Condition 1]/[*specify*]
	(xiv)	Number of Value Publication Days:	[[*specify*] calendar days] [[*specify*] Business Days] [Additional Financial Centre: [*specify*]] *(N.B. Only applicable if Number of Value Publication Days is calculated by reference to Business Days)*
	(xv)	Value Trigger Percentage:	[As per ETI Linked Condition 1]/[*specify*]
	(xvi)	Value Trigger Period:	[As per ETI Linked Condition 1]/[*specify*]
	(xvii)	Basket Trigger Level:	[As per ETI Linked Condition 1]/[*specify*]

(xviii)	Settlement Price:	[Official closing price]/[Value per ETI Interest]
(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 [*specify*].]
(xxiv)	ETI Interest Correction Period:	[*specify*]
(xxv)	Termination Date:	[*specify*]
(xxvi)	Market Disruption:	Specified Maximum Days of Disruption will be equal to [*specify*][eight (8)] Scheduled Trading Days.
(xxvii)	Weighting:	The Weighting to be applied to each ETI Interest comprising the ETI Basket to ascertain the Settlement Price is [*specify*]. 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*)
(xxviii)	ETI Documents:	[As per ETI Linked Condition 1]/[*specify*]
(xxix)	Delayed Redemption on the Occurrence of an Extraordinary ETI Event:	[Applicable/Not applicable] [*if applicable:* Protected Amount: [[*specify*] per cent. of the Specified Denomination]]

41.	Currency Linked Interest Provisions:		[Applicable – the Notes are Currency Linked Interest Notes/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:	[Not applicable/The weighting to be applied to each item comprising the Basket of Currencies to ascertain the Settlement Price is [*specify*]]

	(iv)	Price Source:	[*specify*]
	(v)	Disruption Event:	Specified Maximum Days of Disruption will be equal to [*specify*]/[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:* Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
	(vii)	Relevant Screen Page:	[*specify*]
	(viii)	Settlement Price:	[*specify*]
	(ix)	Valuation Time:	[*specify*]
	(x)	Interest Valuation Date:	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
42.	Additional Business Centre(s):		[*specify*]
43.	Rounding:		[As per Condition 5(m)] [*specify*]

PROVISIONS RELATING TO REDEMPTION

44.	Noteholder Put Option:		[Applicable / Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [*Specify any applicable notice period*]
	(i)	Optional Redemption Valuation Date:	[*specify*]
	(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[Calculation Amount x [*specify*] per cent.] [SPS Put Payout [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]]
	(iii)	Optional Redemption Date:	[*specify*]
	(iv)	Minimum Notice Period:	[●]
	(v)	Maximum Notice Period:	[●] *(N.B. When setting notice periods, the Issuer is*

advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

45. Issuer Call Option: [Applicable / Not applicable]

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

(i) Optional Redemption Valuation Date(s): [*specify*]

(ii) Optional Redemption Date(s): [*specify*]

(iii) Optional Redemption Amount(s): [Calculation Amount x [*specify*] per cent.]

[SPS Call Payout

[*Replicate formula, relevant value(s) and related provisions for Payout Condition 1*]]

(iv) If redeemable in part:

(a) Minimum Redemption Amount: [*specify*]

(b) Maximum Redemption Amount: [*specify*]

(v) Minimum Notice Period: [●]

(vi) Maximum Notice Period: [●] *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

46. Final Redemption Amount: [Calculation Amount x [*specify*] per cent]/[Calculation Amount x Final Payout] [As per Credit Linked Conditions and paragraph 54 (*Credit Linked Notes*) below]

47. Final Payout[15]: [Not applicable]

[**SPS Fixed Percentage Securities**

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[15] Refer to the contents page relating to Annex 1 (*Additional Terms and Conditions for Payouts*), which is on pages 610-614, for details of the location within the Payout Conditions of the terms and conditions that are applicable to the Securities given the Coupon/Premium Amount Rate, Payout or Entitlement Amount elections above.

[*Replicate formula from Payout Condition 1*]]

[**SPS Reverse Convertible Securities**

[SPS Reverse Convertible Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[SPS Reverse Convertible Standard Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[**SPS Vanilla Products**

[Vanilla Call Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Put Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Put Spread Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Digital Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[[Knock-in / Knock-out] Vanilla Call Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[**Asianing Products**

[Asian Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Asian Spread Securities:

[*Replicate formula, relevant value(s) and other related*

provisions from Payout Condition 1]]

[Himalaya Securities:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]]

[**Auto-Callable Products**

[Autocall Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Autocall One Touch Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Autocall Standard Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[**Indexation Products**

[Certi Plus: Booster Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Bonus Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Leveraged Securities

[Replicate formula, relevant value(s) and other related provisions from Payout Condition 1]]

[Certi Plus: Twin Win Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Super Sprinter Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Knock-in Securities

		[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]] [Certi Plus: Generic Knock-out Securities [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]] [Ratchet Securities [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]] [Sum Securities [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]] [Option Max Securities [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]] [Stellar Securities [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]] [Driver Securities [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]] [Maximum Final Payout: [*specify*]/Not applicable] [Minimum Final Payout: [*specify*]/Not applicable]
	FI Payouts	[FI FX Vanilla Securities: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*]] [FI Inflation Securities: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*]]
48.	Automatic Early Redemption[16]:	[Applicable/Not applicable]
	(i) Automatic Early Redemption Event:	[Target Automatic Early Redemption] [FI Underlying Automatic Early Redemption] [FI Coupon Automatic Early Redemption] [Standard Automatic Early Redemption: "greater than"/"greater than or equal to"/"less

[16] Only applicable in relation to Index Linked Notes, Share Linked Notes, ETI Linked Notes, Commodity Linked Notes, Debt Linked Notes and Currency Linked Notes and, in the case of FI Underlying Automatic Early Redemption, Currency Linked Notes and Underlying Interest Rate Linked Notes.

		than"/"less than or equal to"] [– Automatic Early Redemption Event 1]: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [Standard Automatic Early Redemption – Automatic Early Redemption Event 2 Applicable: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [Automatic Early Redemption Event 1 [and]/[or] Automatic Early Redemption Event 2] [SPS AER Valuation: Applicable/Not applicable]
(ii)	Automatic Early Redemption Valuation Time:	[*specify*]
(iii)	Automatic Early Redemption Payout:	[SPS Automatic Early Redemption Payout: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*] [Target Automatic Early Redemption: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*] [FI Underlying Automatic Early Redemption: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*] [FI Coupon Automatic Early Redemption: Accrual to Automatic Early Redemption: [Applicable/Not applicable] [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*]
(iv)	Automatic Early Redemption Date(s):	[*specify*]
(v)	Automatic Early Redemption Level [1]:	[*specify*]
(vi)	[Automatic Early Redemption Level [2]:	[*specify*]
(vii)	Automatic Early Redemption Percentage:	[*specify*] per cent.
(viii)	AER Rate:	[*specify*][Not applicable]
(ix)	AER Exit Rate:	[Not applicable] [AER Rate]

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[AER Athena up Rate]

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[AER CSN Rate]

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

(x) Automatic Early Redemption Valuation Date(s)/Period(s): [*specify*]

[AER 1 Redemption Valuation [Date(s)/Period(s)]:

[*specify*]

[AER 2 Redemption Valuation [Date(s)/Period(s)]:

[*specify*][AER Knock-out Date]

[*For Fixed Income payouts, consider whether this is the interest determination date (i.e. 2 business days prior to the Automatic Early Redemption Date)*]

(xi) Observation Price Source: [*specify*]

(xii) Underlying Reference Level [1]: [Official level]/[Official close]/[last price]/[Bid price]/[Asked price]/Standard Underlying Reference Level]

[*Specify for purposes of Condition 7*]

(xiii) Underlying Reference Level 2: [Standard Underlying Reference Level]/[Not applicable]

(xiv) SPS AER Valuation: [Not applicable]/[Applicable:

SPS AER Value [1]:

[*Insert relevant value(s) and related provisions from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10*]

(xv) AER Event 1 Underlying(s): [See item [●] below]/[Not applicable]

(xvi) AER Event 2 Underlying(s): [See item [●] below]/[Not applicable]

(xvii) AER Event 1 Basket: [Applicable]/[Not applicable]

(xviii) AER Event 2 Basket: [Applicable]/[Not applicable]

49. Index Linked Redemption Amount: [Applicable – the Notes are Index Linked Redemption Notes/Not applicable]

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

		this paragraph)
(i)	Index/Basket of Indices:	[*specify*] [The [*specify*] Index is a [Component Security]/[Multi-Exchange] Index.][17] [The [*specify*] Index is a Custom Index][18]
(ii)	Index Currency:	[*specify*]
(iii)	Screen Page:	[*specify*]
(iv)	Redemption Valuation Date:	[*specify*]
(v)	Exchange Business Day:	[(All Indices Basis)/(Per Index Basis)/(Single Index 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] [*specify*]; and (b) The relevant Index Sponsor is [*specify*].
(viii)	Related Exchange:	[*specify*/All Exchanges]
(ix)	Settlement Price:	[Official opening level]/[Official closing level]/[level at the Valuation Time][*specify*]
(x)	Weighting:	[Not applicable/The Weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [*specify*]. Each such Weighting shall be subject to adjustment in accordance with Index Linked Condition 2]/[*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.] [*specify*] (*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)*
(xii)	Index Correction Period:	[As per Index Linked Condition 4/[*specify*]]
(xiii)	Specified Maximum Days of Disruption:	Specified Maximum Days of Disruption will be equal to [*specify*]/[eight]: (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)

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

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

	(xiv)	Delayed Redemption on the Occurrence of Index Adjustment Event:	[Applicable/Not applicable] [*if applicable:* Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
	(xv)	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 Index Linked Condition 8]/[*specify*]
		(d) Custom Index Disruption Event:	[Specified Maximum Days of Disruption will be equal to: [*specify*]/[As per Index Linked Condition 6]] (*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/Not applicable] [*if applicable:* Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
50.	Share Linked Redemption Amount:		[Applicable – the Notes are Share Linked Redemption Notes/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Share(s)/Share Company/Basket Company/GDR/ADR:	[*specify*] [GDR/ADR applicable] [*Insert GDR/ADR*][19]
	(ii)	Relative Performance Basket:	[Not applicable/*specify*]

[19] 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).

(iii)	Share Currency:	[*specify*]
(iv)	ISIN of Share(s):	[*specify*]
(v)	Screen Page/Exchange Code:	[*specify*]
(vi)	Redemption Valuation Date:	[*specify*]
(vii)	Exchange Business Day:	[(All Shares Basis)/(Per Share Basis)/(Single Share 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] [*specify*].
(x)	Related Exchange(s):	[*specify*/All Exchanges]
(xi)	Settlement Price:	[Official closing price]/[Italian Securities Reference Price]/[price at the Valuation Time]] [*specify*]
(xii)	Weighting:	[Not applicable/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 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 [*specify*]] (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).
(xiv)	Share Correction Period:	[As per Share Linked Condition 4/*specify*]
(xv)	Market Disruption:	Specified Maximum Days of Disruption will be equal to [*specify*]/[eight] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xvi)	**[**Tender Offer:	[Applicable/Not applicable]]
(xvii)	Delayed Redemption on the Occurrence of an Extraordinary Event:	[Applicable/Not applicable] [*if applicable:* Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
(xviii)	Listing Change:	[Applicable/Not applicable]

	(xix)	Listing Suspension:	[Applicable/Not applicable]
	(xx)	Illiquidity:	[Applicable/Not applicable]
51.	Debt Linked Redemption Amount:		[Applicable - the Notes are Debt Linked Redemption Notes./Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Debt Securities:	[Specify]
	(ii)	Nominal Amount:	[The relevant nominal amount is [●] and the Relevant Screen Page is [●].[Not applicable]
	(iii)	Reference Price:	[The Reference Price[s] for [*specify relevant Debt Securities*] is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]
	(iv)	Exchange Business Day Centre(s):	[*Specify*]
	(v)	Valuation Time:	[*Specify*]
	(vi)	Redemption Valuation Date:	[ ]
	(vii)	Specified Maximum Days of Disruption:	[As defined in Condition 5 of Annex 4 (*Additional Terms and Conditions for Debt Linked Securities*)]/[[*specify*] Scheduled Trading Days.]
	(viii)	Delayed Redemption on Occurrence of Debt Instrument Redemption Event:	[Applicable/Not applicable] [*if applicable:* Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
	(ix)	Debt Security Issuer:	[ ]/[Not applicable]
	(x)	Debt Security Correction Period:	[As per the Conditions]/[ ]/[Not applicable]
	(xi)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Securities to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
52.	Inflation Linked Redemption Amount:		[Applicable - the Notes are Inflation Linked Redemption Notes./Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index/Indices:	[*specify*]

			[Composite/non Composite]
	(ii)	Cut-Off Date:	[*specify*]/[Not applicable]
	(iii)	Related Bond:	[*specify*]/Fall Back Bond
	(iv)	Issuer of Related Bond:	[*specify*]/[Not applicable]
	(v)	Fall Back Bond:	[Applicable/Not applicable]
	(vi)	Index Sponsor:	[*specify*]
	(vii)	Related Bond Redemption Event:	[Applicable/Not applicable]
	(viii)	Valuation Date:	[*specify*]
53.	Commodity Linked Redemption Amount:		[Applicable – the Notes are Commodity Linked Redemption Notes/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Commodity/Commodities/Commodity Index/Commodity Indices:	[*specify*] [The Sponsor[s] of the Commodity Index/Indices is/are [*specify*]]
	(ii)	Pricing Date(s):	[*specify*]
	(iii)	Initial Pricing Date:	[*specify*]
	(iv)	Final Pricing Date:	[*specify*]
	(v)	Commodity Reference Price:	[*specify*] The Price Source is/are: [*specify*]
	(vi)	Delivery Date:	[*specify*] / [Not applicable]
	(vii)	Nearby Month:	[*specify*] / [Not applicable]
	(viii)	Specified Price:	[*specify*]/[Not applicable]
	(ix)	Exchange(s):	the relevant Exchange[s] [is/are] [*specify*] / [Not applicable]
	(x)	Specified Maximum Days of Disruption:	[*specify*]/[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 Linked Condition 2]/Not applicable]
	(xii)	Weighting:	[Not applicable/[specify]. Each such Weighting shall be

			subject to adjustment in accordance with Commodity Linked Condition 3]
54.	Fund Linked Redemption Amount:		[Applicable – the Notes are Fund Linked Redemption Notes/Not applicable]
	(i)	Fund/Fund Basket:	[*specify*] [The [*specify*] Fund is a Mutual Fund] [The [*specify*] Fund is a Hedge Fund] [The [*specify*] Fund is a Private Equity Fund]
	(ii)	Fund Share(s):	[*specify*]
	(iii)	Fund Documents:	[As per Fund Linked Condition 1]/[*specify*]
	(iv)	Fund Business Day:	[All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis]
	(v)	Fund Service Provider:	[As per Fund Linked Condition 1]/[*specify*] [*Insert name*]
	(vi)	Calculation Date(s):	[As per Fund Linked Condition 1]/[*specify*] [*Insert date*]
	(vii)	Initial Calculation Date:	[*specify*]/[Not applicable]
	(viii)	Final Calculation Date:	[*specify*]/[Not applicable]
	(ix)	Redemption Valuation Date:	[*specify*]
	(x)	Hedging Date:	[*specify*]/[Not applicable]
	(xi)	AUM Level	[*specify*]/[Not applicable]
	(xii)	NAV Trigger Percentage:	[As per Fund Linked Condition 1]/[*specify*]
	(xiii)	NAV Trigger Period:	[*specify*]
	(xiv)	Number of NAV Publication Days:	[*specify*]
	(xv)	Basket Trigger Level:	[*specify*]/[As per Fund Linked Condition 1]
	(xvi)	Termination Date:	[*specify*]
	(xvii)	Weighting:	[Not applicable/[specify]. Each such Weighting shall be subject to adjustment in accordance with Fund Linked Condition 4]
	(xviii)	Delayed Redemption on the Occurrence of an Extraordinary Fund Event:	[Applicable/Not applicable] [if applicable: Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
	(xix)	[Delayed Payment Cut-Off	[*specify*]]

Date:

55. Underlying Interest Rate Linked Redemption Amount: [Applicable – the Notes are Underlying Interest Rate Linked Redemption Notes/Not applicable]

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

(*If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate$_1$:" and "Underlying Interest Rate$_2$:" and repeat paragraphs 55(i) to (vii) below, as applicable*)

(i) Underlying Interest Determination Date(s): [*specify*]

(ii) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ISDA Determination]

(iii) Screen Rate Determination:

(a) Underlying Reference Rate: [*specify*] *(Either LIBOR, EURIBOR or other)*

(b) 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)

(c) Relevant Screen Page: [*specify*]

(iv) ISDA Determination:

(a) Floating Rate Option: [*specify*]

(b) Designated Maturity: [*specify*]

(c) Reset Date: [*specify*]

(v) Underlying Margin(s): [+/-][●] per cent. per annum

(vi) Minimum Underlying Reference Rate: [●] per cent. per annum

(vii) Maximum Underlying Reference Rate: [●] per cent. per annum

56. Credit Linked Redemption Amount: [Applicable – the Notes are Credit Linked Redemption Notes/Not applicable]

(i)	Type of Credit Linked Notes	[Single Reference Entity Credit Linked Note] [Nth-to-Default Credit Linked Note] N: [*specify*] Substitution: [Not applicable] [Applicable]] [Linear Basket Credit Linked Note]
	Substitution:	[Not applicable] [Applicable]
	Zero Recovery:	[Applicable/Not applicable]
	2014 Definitions:	[Applicable/Not applicable]
	2003 Definitions (as supplemented by July 2009 Supplement):	[Applicable/Not applicable]
	No Prior Event Determination Date:	[Not applicable] [Applicable]
(ii)	Transaction Type:	[*specify*]
(iii)	Maturity Date:	[*specify*]
(iv)	Calculation Agent responsible for making calculation and determinations pursuant to Annex 10 – Additional Terms and Conditions for Credit Linked Securities):	[*specify*]
(v)	Reference Entity(ies):	[*specify*]
(vi)	Reference Entity Notional Amount	[*specify*] [As per Credit Linked Condition 10]
(vii)	Reference Obligation(s):	
	The obligation identified as follows:	[Applicable/Not applicable/[*specify*]]
	Primary Obligor:	[*specify*]
	Guarantor:	[*specify*]
	Maturity:	[*specify*]
	Coupon:	[*specify*]
	CUSIP/ISIN:	[*specify*]
	Original Issue Amount:	[*specify*]

		[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/[*specify*]
(viii)	Settlement Method:	[Auction Settlement] [Cash Settlement] [Physical Settlement] [Unwind Costs: [Not applicable] [●]] [*Delete if Unwind Costs are applicable*] [No Charged Assets Loss is applicable]
(ix)	Fallback Settlement Method	[Cash Settlement] [Physical Settlement]
(x)	Settlement Deferral:	[Applicable] [Not applicable]
(xi)	Settlement Currency	[*specify*]
(xii)	Merger Event:	[Credit Linked Condition 2(c) [Applicable/Not applicable]] (*If Applicable*): [Merger Event Redemption Date: [●]]
(xiii)	LPN Reference Entities	[Applicable/Not applicable/[*specify*]]
(xiv)	Terms relating to Cash Settlement:	[As per Credit Linked Condition 2] [Not applicable]
(xv)	Terms relating to Physical Settlement	[As per Credit Linked Condition 4] [Not applicable]
(xvi)	Accrual of Interest upon Credit Event:	[As per Credit Linked Condition 3(a)(A)(i)] [As per Credit Linked Condition 3(a)(A)(ii)] [As per Credit Linked Condition 3(a)(B)] [Continued Interest Accrual applicable]
(xvii)	Interest:	[*specify*][No Interest Post Scheduled Redemption is applicable]
(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 Linked Conditions]] [*Delete if CoCo Supplement is not applicable*]"
	(xx)	Credit Event Backstop Date	[The date that is 60 calendar days prior to the Trade Date] [Issue Date] [Other]
	(xxi)	Calculation and Settlement Suspension	[Applicable] [Not applicable]
	(xxii)	Seniority Level:	[Senior Level] [Subordinated Level] [●]
57.	ETI Linked Redemption Amount:		[Applicable – the Notes are ETI Linked Redemption Notes/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	ETI/ETI Basket:	[*specify*]
	(ii)	ETI Interest(s):	[*insert type of ETI Interest(s)*]
	(iii)	ETI Related Party:	[As per ETI Linked Condition 1]/[*specify*]
	(iv)	ETI Documents:	[As per ETI Linked Condition 1][*specify*]
	(v)	Exchange(s):	The relevant Exchange[s] [is/are] [*specify*]. [Not applicable]
	(vi)	Related Exchange:	[*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]
	(ix)	Redemption Valuation Date:	[*specify*]
	(x)	Calculation Date(s):	[As per ETI Linked Condition 1]/[*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 ETI Linked Condition 1][*specify*]
(xv)	Value per ETI Interest/Trading Price Barrier:	[As per ETI Linked Condition 1][*specify*]
(xvi)	Number of Value Publication Days:	[[*specify*] calendar days] [[*specify*] Business Days] [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 ETI Linked Condition 1][*specify*]
(xviii)	Value Trigger Period:	[As per ETI Linked Condition 1][*specify*]
(xix)	Basket Trigger Level:	[As per ETI Linked Condition 1][*specify*]
(xx)	Settlement Price:	[Official closing price]/[Value per ETI Interest]
(xxi)	Weighting:	[Not applicable/The Weighting to be applied to each item comprising the ETI Basket to ascertain the Settlement Price is [*specify*]. 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 [*specify*]](*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 [*specify*].]
(xxiv)	ETI Interest Correction Period:	[As per ETI Linked Condition 1]/[specify]
(xxv)	Termination Date:	[*specify*]
(xxvi)	Market Disruption:	[Specified Maximum Days of Disruption will be equal to [*specify*] [eight (8)] Scheduled Training Days]
(xxvii)	Delayed Redemption on the Occurrence of an Extraordinary ETI Event:	[Applicable/Not applicable] [if applicable: Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
58.	Currency Linked Redemption	[Applicable – the Notes are Currency Linked Redemption

	Amount:		Notes/Not applicable] [*specify*]
	(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:	[Not applicable/The weighting to be applied to each item comprising the Basket of Currencies to ascertain the Settlement Price is [*specify*]]
	(v)	Price Source:	[specify]
	(vi)	Settlement Price:	[*specify*]
	(vii)	Disruption Event:	Specified Maximum Days of Disruption will be equal to [*specify*]/[five] *(If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)*
	(viii)	Valuation Time:	[*specify*]
	(ix)	Redemption Valuation Date:	[●] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
	(x)	Delayed Redemption on the Occurrence of an Additional Disruption Event:	[Applicable/Not applicable] [if applicable: Protected Amount: [[*specify*] per cent. of the Specified Denomination]]
59.	Early Redemption:		[Applicable][Not applicable]
	(i)	Early Redemption Amount:	[Final Redemption Amount] [Calculation Amount x [*specify*] per cent.] [Liquidation Proceeds][Liquidation Proceeds Cap: not applicable][Liquidation Proceeds/Fair Market Value][*Specify if different Early Redemption Amounts apply to different Early Redemption Events*] [*Specify*]
	(ii)	Swap Counterparty optional	[Applicable][Not applicable]

		termination - Call option (Condition 7(f) and Condition 8(h)(i)):	(*If applicable, specify dates on which the Swap Counterparty may opt to terminate the Swap Agreement and on what notice to the Issuer*)
(iii)		Swap Counterparty optional termination - Repurchase (Condition 8(h)(ii)):	[Applicable][Not applicable]
(iv)		Early Redemption Events:	
	(a)	Asset Payment Default Event:	[Applicable][Not applicable]
	(b)	Asset Default Event:	[Applicable][Not applicable]
	(c)	Asset Redemption Event:	[Applicable][Not applicable]
	(d)	Asset Payment Shortfall Event:	[Applicable][Not applicable]
	(e)	Compartment Tax Event:	[Applicable][Not applicable]
	(f)	Related Agreement Termination Event:	[Applicable][Not applicable]
	(g)	Annex Early Redemption Event:	[Applicable][Not applicable]
	(h)	Compartment Change in Law Event:	[Applicable][Not applicable]
	(i)	Reference Securities Restructuring Event:	[Applicable][Not applicable]
	(j)	Reference Securities Regulatory Event:	[Applicable][Not applicable]
	(k)	Charged Asset Repudiation / Moratorium Event:	[Applicable][Not applicable]
	(l)	Charged Assets Issuer Bankruptcy Event:	[Applicable][Not applicable]
(v)		Redemption for taxation and other reasons:	
	(a)	Condition 7(m)(i) (Redemption of Notes for taxation reasons):	[Applicable][Not applicable][*Specify notice period(s) for redemption for the purposes of Condition 7(m)(i)*]

		(b) Condition 7(m)(ii) (Illegality):	[Applicable][Not applicable] [*Specify notice period(s) for redemption for the purposes of Condition 7(m)(ii)*]
	(vi)	Maturity Date Extension:	[Applicable][Not applicable] [*if Maturity Date Extension is applicable, specify the Extended Maturity Date and whether interest will accrue on the Notes to the Extended Maturity Date*] [*if Maturity Date Extension is applicable, specify whether "Sale of Assets" is applicable or not applicable*]
	(vii)	Swap Termination Without Redemption:	[Applicable / Not applicable] [Swap Termination Payment Postponement: Applicable][*delete if not applicable*]
	(viii)	No Unwind Costs:	No Unwind Costs is [applicable]/[not applicable].
60.	Provisions applicable to Physical Delivery:[20]		[Applicable – Physical Settlement applies/Physical Delivery Option [1/2/3]/Not applicable]
	(i)	Entitlement in relation to each Note:	[The Entitlement Amount in relation to each Note is: [Delivery of Worst-Performing Underlying applicable: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*] [NA: [*specify*]] Redemption Payout: [*specify*] SPS Valuation Date: [*specify*]] [Delivery of Best-Performing Underlying applicable: [*Replicate formula from Payout Condition 1*] [NA: [*specify*]] Redemption Payout: [*specify*] SPS Valuation Date: [*specify*] [Delivery of the Underlying applicable: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*] [NA: [*Specify*]] Redemption Payout: [*specify*]

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

SPS Valuation Date: [*specify*]]

(ii) Relevant Asset(s): [As specified above]/The relevant asset to which the Notes relate [is/are] [*specify*].[Not applicable]

(iii) Cut-Off Date: [*specify*]/[Not applicable]

(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 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*)

61. Hybrid Notes: [Applicable/Not applicable]

[*If applicable*:

(i) The Notes are linked to each of the types of Underlying Reference (each a "**Type of Underlying Reference**") set out in the table below. 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[, subject as provided in (ii) below].

[*Include each Type of Underlying Reference*]

Type of Underlying Reference

[●] [See item [●]]

[●] [See item [●]]

[●] [See item [●]]

(ii) Hybrid Business Day [Applicable/Not applicable]

[if applicable:

"**Hybrid Business Day**" means a day which is a Scheduled Trading Day (as defined in the relevant

Annex and completed in the applicable Final Terms) for each Type of Underlying Reference specified in the applicable Final Terms.

[*If Hybrid Business Day is applicable, each date for valuation (e.g. valuation date, averaging date, observation date etc.) which is the subject of the Hybrid Securities provisions should be expressed to be "[●] or if that is not a Hybrid Business Day the immediately [succeeding/preceding] Hybrid Business Day"*]]

62. 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 6(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 6(b)(ii)(B) will not apply to the Notes.]

COMPARTMENT ASSETS AND SECURITY

63. Description of Compartment: Compartment [ ][*specify number/designation*]

(i)	Legal nature of the Charged Assets:	As set out in Condition 8(c)(i)[(A)][(B)][(C)] (*Specify as applicable*) The Related Agreements are: – [the Swap Agreement] [*specify for all applicable Charged Asset Structures*] – [the Deposit Agreement] [*specify if Charged Asset Structure 1 or 3 is applicable*] – [the Repurchase Agreement] [*specify if Charged Asset Structure 7 is applicable*] [The Compartment Assets are the Reference Securities specified in paragraph 11 of Part B] [*specify if one of Charged Asset Structures 2, 5 or 6 is applicable*]
(ii)	Compartment Account:	[Applicable]/[Not applicable]
(iii)	Cash Manager:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable]
(iv)	Account Bank:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable.]

	(v)	Custodian:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable.]
	(vi)	Sub-Custodian in relation to the Compartment Assets:	[Applicable / Not applicable]
64.	Compartment Security for the Notes is "Charged Assets charged to Trustee; additional foreign law security":		[Applicable / Not applicable]
65.	Compartment Assets substitution by Swap Counterparty (pursuant to Condition 8(f)):		[Applicable / Not applicable]
	(i)	Permitted currency of securities to be substituted for the Compartment Assets (pursuant to Condition 8(f)(i)):	[*Specify currency*]
	(ii)	Eligible Compartment Assets Issuer:	[*Identify any Eligible Compartment Assets Issuer for the purposes of Condition 8(f) including its name, address, country of incorporation, nature of its business and confirmation that it has securities admitted to trading on a regulated or equivalent market or has obligations guaranteed by an entity admitted to trading on a regulated or equivalent market.*]
	(iii)	Alternative Substitution (Condition 8(f)(ii)):	[Applicable / Not applicable]
	(iv)	Delivery or payment of the securities, obligations or cash which may be substituted for the Compartment Assets to the Custodian by (if not Swap Counterparty): (Condition 8(f)):	[Counterparty]
	(v)	Substitution Notification:	[Applicable][Not applicable]
66.	Compartment Assets substitution under a Credit Support Annex/Credit Support Deed/Pledge: delivery or payment of securities, obligations or cash by (if not Swap Counterparty) (Condition 8(g)):		[Credit Support Annex / Credit Support Deed/Pledge][Counterparty]
67.	The order of priority of payments made by the Issuer to the holders of the class of securities in question:		[Swap Counterparty Priority][Pari Passu Ranking][Noteholder Priority]

OTHER PROVISIONS

68.	Financial Centre(s) or other special provisions relating to Payment Days:	[Not applicable/*specify*] (*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 23 relates. All relevant Financial Centre(s) (including the location of the relevant agent(s)) should be included other than TARGET2*)
69.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	[Yes/No.]
70.	Details relating to Notes redeemable in instalments: amount of each instalment, date on which each payment is to be made:	[Not applicable/Applicable]
	(i) **[**Instalment Amounts:	[*specify*]
	(ii) Instalment Dates:	[*specify*]]
71.	Redenomination, renominalisation and reconventioning provisions:	[Not applicable/The provisions [in Condition 19 apply]
72.	Calculation Agent:	[BNP Paribas Arbitrage S.N.C.]/[*Specify other*]
	Calculation Agent address for the purpose of the Noteholder Account Information Notice:	[*specify*]

DISTRIBUTION

73.	Date of [Subscription Agreement]:[21]	[*specify*]
74.	Name [and address][22] of Dealer:	[*specify*]
75.	Total commission and concession:[23]	[*specify*] per cent. of the Aggregate Nominal Amount.
76.	Non exempt Offer:	[Applicable][Not applicable] (*If not applicable, delete the remaining placeholders of this paragraph and paragraph 9 of Part B*)
	(i) Non-exempt Offer	[*specify relevant Member State(s) where the Issuer*

[21] Delete, if minimum denomination is less than EUR100,000 (or is equivalent in the relevant currency as of the Issue Date) and if the Notes are not Derivative Securities.

[22] Delete if minimum denomination is EUR100,000 (or its equivalent in the relevant currency as of the Issue Date) and if the Notes are not Derivative Securities.

[23] Delete if minimum denomination is EUR100,000 (or its equivalent in the relevant currency as of the Issue Date) and if the Notes are not Derivative Securities.

	Jurisdictions:	*intends to make Non-exempt Offers (select from the list of Non-exempt Offer Jurisdictions in the Base Prospectus) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*]
(ii)	Offer Period:	[*specify date, and if applicable, time*] until [and including][*specify date (and if applicable, time) or a formula such as "the Issue Date" or "the date which falls* [*specify*] *Business Days thereafter*"] [subject to any early closing]
(iii)	Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it:	[*insert names and addresses of financial intermediaries receiving consent (specific consent)*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market][and listing on an official list] of the Notes described herein] pursuant to the SecurAsset S.A. €20,000,000,000 Secured Note, Warrant and Certificate Programme.

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

PART B – OTHER INFORMATION

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

(i)	Listing:	[Luxembourg Stock Exchange's Official List/Specify other/None]
(ii)	Admission to trading:	[Application has been or will be made for the Notes to be admitted to trading on [Luxembourg Stock Exchange's Regulated Market/Luxembourg Stock Exchange's Euro MTF Market/Specify other] [with effect from [*specify*]].] [Not applicable.] *(Where documenting a fungible issue need to indicate that original [Notes] are already admitted to trading)]*
(iii)	Estimate of total expenses related to admission to trading:	[*specify*][24]
(iv)	De-listing:	[Not applicable][The de-listing of the Notes on the [exchange/regulated market] specified above shall occur on [specify], subject to any change to such [date/period] by such [exchange/regulated market] or any competent authorities, for which the Issuer [and the Guarantor] shall under no circumstances be liable].

2. Ratings

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:* *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]]* [*[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.] *EITHER* [*[Insert the legal name of the relevant CRA entity]* is established in the European Union and is

[24] Delete if minimum denomination is less than EUR 100,000 (or its equivalent in the relevant currency as of the Issue Date) or if the Notes are Derivative Securities.

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.]

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

[Not applicable] **[***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.*]

4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses[25]

(i) Reasons for the offer **[***specify***][**Not applicable.**]**

(ii) Estimated net proceeds: **[***specify***][**Not applicable.**]**

(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)

(iii) Estimated total expenses: **[***specify***] [***Expenses are required to be broken down into each principal intended "use" and presented in order or priority of such "uses".*

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[25] If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

(*N.B.: If the notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.*)**]**[26] **[**Not applicable.**]**

5. Yield

Indication of yield: **[***specify***]**[Not applicable]

6. *Floating Rate Notes only* – Historic Interest Rates

[Not applicable] **[**Details of historic **[**LIBOR/EURIBOR**]** rates can be obtained from **[**Reuters**].]**[27]

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

[Not applicable] [*Need to include details of where past and future performance and volatility of the index/formula/other variables can be obtained. If there is a derivative component in the interest or the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, an example of how the value of the investment is affected by the value of the underlying may be included.*]

[*Where the underlying is an index need to include the name of the index and details of where the information about the index can be obtained. NB: The Securities may not be linked to an index composed by the Issuer or by any entity belonging to the same group as the Issuer.*]

[*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].

8. Operational information

(i)	ISIN Code:	**[***specify***]**
(ii)	Common Code:	**[***specify***]**
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg approved by the Issuer and the Principal Paying Agent and the relevant identification number(s):	**[**Not applicable/Central Moneymarkets Unit/*give name(s) and number(s)***]**
(iv)	Delivery:	Delivery **[**against/free of**]** payment
(v)	Additional Paying Agent(s)	**[**Not applicable/*give name***]**

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[26] Not required for debt securities with a denomination per unit of at least EUR 100,000 (or its equivalent in the relevant currency as of the Issue Date).

[27] Not required for debt securities with a denomination per unit of at least EUR 100,000 (or its equivalent in the relevant currency as of the Issue Date).

(if any):

9.	**Public Offers**		**[**Applicable**][**Not applicable**]**
	(i)	Authorised Offeror:	[Not applicable][*Specify identity of any Authorised Offeror(s)*][See paragraph 76 above]
	(ii)	Offer Period:	[*specify*] to [*specify*] [See paragraph 76 above] *(Should be from the date of publication of the Final Terms to a specified date or a formula such as "the Issue Date" or "the date which falls* **[***specify***]** *Business Days thereafter".)*
	(iii)	Offer Price:	[[*specify*][●] per cent. of the Issue Price (of which [[selling] fees] and [commissions] of [●] of [●] [the Aggregate Nominal Amount] shall be retained by [the Authorised Offeror[s]] [and a [maximum] amount of [●] per cent. is represented by commissions payable to the Authorised Offeror[s].] **[**The Issuer has offered the Notes to the Managers at the initial issue price of **[***specify***]** less a total commission of **[***specify***]**. *OR (where the price is not determined at the date of the Final Terms)* The issue price of the Notes will be determined by the Issuer and the **[**Managers**]** on or about **[ ]** in accordance with market conditions then prevailing, including **[**supply and demand for the Notes and other similar securities**] [**and**] [**the then current market price of **[***insert relevant benchmark security, if any***].]**
	(iv)	Conditions to which the offer is subject:	**[**Offers of the Notes are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Authorised Offerors, notified to investors by such relevant Authorised Offeror]] [Article 30 of Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the "**Italian Financial Services Act**") permits the promotion and placement to the public in the Republic of Italy of financial instruments in a place other than the registered office or establishments of the issuer, offeror or appointed person carrying out such promotion and/or placement, under certain conditions. Such activity is referred in the Italian Financial Services Act as "door-to-door selling". Pursuant to paragraph 6 of Article 30 of the Italian Financial Services Act, all door-to-door selling of financial instruments must be accompanied by a clear indication to investors that they have a right of withdrawal from any contract entered into pursuant to door-to-door selling, exercisable within a period of seven days from the date of subscription by the investor. Within such period, contracts entered into pursuant to door-to-door selling shall not be enforceable, and investors may exercise their withdrawal right without payment of any charge or commission by contacting the offeror or appointed person

		with whom the subscription for Notes was placed.] [A non-exempt offer of Notes in the Republic of Italy may be made using door-to-door selling in accordance with Article 30 of the Italian Financial Services Act during the Offer Period.] [Further, Notes may be offered in the Republic of Italy to investors through recorded telephone orders pursuant to applicable Italian law.]
(v)	Description of the application process:	[Not applicable][*Insert details*]
(vi)	Details of the minimum and/or maximum amount of application:	[Not applicable][*Insert details*]
(vii)	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable][*Insert details*]
(viii)	Details of the method and time limits for paying up and delivering the Notes:	[Not applicable][*Insert details*]**[**The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Authorised Offeror of their allocations of Notes and the settlement arrangements in respect thereof.**]**
(ix)	Manner and date in which results of the offers are to be made public:	[Not applicable][*Insert details if the issue is an "up to" issue*]
(x)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable][*Insert details*]
(xi)	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable][*Insert details*] [No dealings in the Notes on a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC may take place prior to the Issue Date.**]**
(xii)	[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	**[ ]]**

10. Placing and Underwriting[28]

(i)	[Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:[29]	**[***specify***]**

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[28] Required for derivative securities.

[29] To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

(ii)	Name and address of any paying agents and depository agents in each country (in addition to the Issuing and Paying Agent):	**[***specify***]**
(iii)	Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:[30]	**[***specify***]**
(iv)	When the underwriting agreement has been or will be reached:]	**[***specify***]**

11. Description of Charged Assets

(i) Charged Asset Structure: [Charged Asset Structure 1]/[Charged Asset Structure 2]/[Charged Asset Structure 3]/[Charged Asset Structure 4]/[Charged Asset Structure 5]/[Charged Asset Structure 6]/[Charged Asset Structure 7]/[Charged Asset Structure 8] is applicable.

[Where Charged Asset Structure 1 is applicable replicate the following paragraphs from Charged Asset Structure 1 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 1 from paragraphs 2.7 and 3.14:

1.1, 2.1(if applicable; if not applicable do not replicate), 2.2, 2.3, 2.4, 2.5 (if applicable; if not applicable do not replicate), 2.6 (if applicable; if not applicable do not replicate), 3.1 (do not replicate if 3.2 is applicable), 3.2 (if applicable; if not applicable do not replicate), 3.3 (if applicable; if not applicable do not replicate), 3.4 (replicate if Interim Payment Amount is payable), 3.5 (replicate if Automatic Early Settlement is applicable), 3.6 (if applicable; if not applicable do not replicate), 3.7, 3.8 (if applicable, if not applicable do not replicate), 3.9, 3.10 (if applicable; if not applicable do not replicate), 3.11 (if applicable; if not applicable do not replicate), 3.12 (if applicable; if not applicable do not replicate), 3.13, 4 and 5]

[Where Charged Asset Structure 2 is applicable replicate the following paragraphs from Charged Asset Structure 2 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 2 from paragraphs 1.3, 2.11 and 3.4:

1.1, 2.1 (*do not replicate if 2.2 is applicable*), 2.2 (*if*

[30] Where not all of the issue is underwritten, a statement of the portion not covered.

applicable; if not applicable do not replicate), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*replicate if Interim Payment Amount is payable*), 2.5 (*if applicable, if not applicable do not replicate*), 2.6 (*replicate if Automatic Early Settlement is applicable*), 2.7, 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10, 3.1, 3.2, 3.3 (*replicate if Automatic Early Settlement is applicable*), 4 and 5.]

[Where Charged Asset Structure 3 is applicable replicate the following paragraphs from Charged Asset Structure 3 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 3 from paragraphs 2.6 and 3.11:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3, 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable, if not applicable do not replicate*), 3.1 (*do not replicate if 3.2 is applicable*), 3.2 (*if applicable; if not applicable do not replicate*), 3.3 (*replicate if Interim Payment Amount is payable*), 3.4 (*replicate if Automatic Early Settlement is applicable*), 3.5 (*if applicable; if not applicable do not replicate*), 3.7, 3.8, 3.9 (*if applicable; if not applicable do not replicate*), 3.10 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 4 is applicable replicate the following paragraphs from Charged Asset Structure 4 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 4 from paragraph 2.10:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*replicate if Interim Payment Amount is payable*), 2.4 (*replicate if Automatic Early Settlement is applicable*), 2.5, 2.6, 2.7 (*if applicable; if not applicable do not replicate*), 2.9 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 3 and 4]

[Where Charged Asset Structure 5 is applicable replicate the following paragraphs from Charged Asset Structure 5 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 5 from paragraphs 1.3, 2.17 and 3.7:

1.1, 2.1 (*do not replicate if 2.2 is applicable*), 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7 (*if applicable; if not applicable do not replicate*), 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if*

applicable; if not applicable do not replicate), 2.10 (*if applicable; if not applicable do not replicate*), 2.11, 2.12 (*if applicable; if not applicable do not replicate*), 2.13 (*if applicable; if not applicable do not replicate*), 2.14, 2.15 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 2.16 (*if applicable; if not applicable do not replicate*), 3.1, 3.2, 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 6 is applicable replicate the following paragraphs from Charged Asset Structure 6 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 6 from paragraphs 1.3, 2.13 and 3.7:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7, 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10, 2.11 (see Credit Support Structure [1,2.3.4] (*delete as applicable; delete if not applicable*), 2.12 (*if applicable; if not applicable do not replicate*), 3.1, 3.2, 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 7 is applicable replicate the following paragraphs from Charged Asset Structure 7 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 7 from paragraphs 2.9 and 3.15:

1.1, 2.1, 2.2, 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7, 2.8, 3.1, 3.2 (*if applicable; if not applicable do not replicate*), 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 3.7 (*if applicable; if not applicable do not replicate*), 3.8 (*replicate if Automatic Early Expiration is applicable*), 3.9 (*if applicable; if not applicable do not replicate*), 3.10, 3.11 (*if applicable; if not applicable do not replicate*), 3.12 (*if applicable; if not applicable do not replicate*), 3.13, 3.14 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 4

		and 5] [*Where Charged Asset Structure 8 is applicable replicate the following paragraphs from Charged Asset Structure 8 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 8 from paragraph 2.9:* 1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*replicate if Interim Payment Amount is payable*), 2.4 (*replicate if Automatic Early Settlement is applicable*), 2.5, 2.6, 2.7 (*if applicable; if not applicable do not replicate*), 2.8, 3 and 4]
(ii)	Amount of the Charged Assets:	[*specify*]
(iii)	Credit Support Structure:	[Credit Support Structure 1]/[Credit Support Structure 2]/[Credit Support Structure 3]/[Credit Support Structure 4] is applicable] [Not applicable] *Complete applicable items below:* Credit Support Valuation Agent: [*specify]/delete if not applicable*]. Margin Delivery Date: [*specify]/delete if not applicable*]. Minimum Transfer Amount: [*specify]/delete if not applicable*]. Over Collateralisation Level:[*specify if other than 100%; otherwise delete*] Repo Transaction Valuation Date: [*specify]/delete if not applicable*]. Support Percentage: [*specify]/delete if not applicable*]. Swap Agreement Valuation Date: [*specify]/delete if not applicable*]. Value: [*specify if other than market value; otherwise delete*] Swap Counterparty Collateral: [*specify*]
(iv)	Loan to value ratio or level of collateralisation of the Charged Assets:	[*specify*]
(v)	Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets:	[Applicable / Not applicable] For the purposes of Charged Asset Structure [1][2][3][4][5][6][7][8]: [the counterparty to the Swap Agreement is [BNP Paribas][BNP Paribas Fortis SA/NV](the "**Swap**

		Counterparty").] [the counterparty to the Deposit Agreement is: [*specify*] (the "**Deposit Counterparty**").] [the counterparty to the Repurchase Agreement is [*specify*] (the "**Repo Counterparty**").] [the issuer of [*identify applicable Reference Securities*] (the "**Reference Securities**") is [*specify*] (the "**Reference Security Issuer**").] [*Where an obligor has securities already admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, insert the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted so far as the Issuer is aware and/or is able to ascertain from information published by the obligor(s)*]
(vi)	Any relationship that is material to the issue between the Issuer, guarantor (if applicable) and obligor under the Charged Assets:	[Applicable / Not applicable] [*If applicable, provide details of the principal terms of that relationship*] [*specify*[which is the [*insert capacity/capacities*] under the Notes]
(vii)	Charged Assets comprising obligations that are not admitted to trading on a regulated or equivalent market:	[Applicable / Not applicable] [See paragraph entitled "*Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets*" above where the applicable Charged Asset Structure is specified]
(viii)	Charged Assets comprising obligations that are admitted to trading on a regulated or equivalent market:	[Applicable / Not applicable] [*If applicable, indicate the following:* *a description of the securities;* *a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market's regulatory authority;* *the frequency with which prices of the relevant securities are published*.] (*Complete in conjunction with relevant provisions above*) [See paragraph entitled "*Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or*

		more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets" above]
(ix)	Names, addresses and significant business activities of the originators of the Compartment Assets:	[Applicable / Not applicable] [*If applicable, provide details*]
(x)	Name, address and significant business activities of the Calculation Agent, together with a summary of the Calculation Agent's responsibilities, its relationship with the originator or the creator of the assets forming the Charged Assets:	[*specify*]
(xi)	Names and addresses and brief description of the banks with which the main accounts relating to the Series are held:	[*specify*]
(xii)	Information concerning the Charged Assets reproduced from a source published by a third party:	[Applicable / Not applicable] [*If applicable*: So far as the Issuer is aware and is able to ascertain from information published by [*specify*], no facts have been omitted which would render the reproduced information misleading.]
(xiii)	Legal jurisdiction by which the Charged Assets are governed:	[*insert jurisdiction*]
(xiv)	Expiry or maturity date(s) of the Charged Assets:	[*The Maturity Date/specify other*]

APPLICABLE WARRANT FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series (and/or Tranche, as the case may be) of Warrants issued under the Programme. Placeholders are included as an aid to review and the Final Terms relating to any series of Warrants will be completed with such information from the Base Prospectus (including the applicable Terms and Conditions) as is applicable to such Warrants. References in the Base Prospectus (including in the applicable Terms and Conditions) to "the Securities" shall when replicated in these Final Terms be replaced with references to the Warrants.

[Date]

SecurAsset S.A.

acting through its Compartment [●]

Issue of [up to] [number of Warrants] [Title of Warrants] [Guaranteed by [BNP Paribas/Banca Nazionale del Lavoro S.p.A] on the terms set out herein] under the €20,000,000,000 Secured Note, Warrant and Certificate Programme

PART A- CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth under the heading "*Terms and Conditions of the Warrants*" in the Base Prospectus dated 27 November 2015 (the "**Base Prospectus**") **[[**which constitutes a base prospectus for the purposes of the Prospectus Directive and the Prospectus Act 2005][1]. This document constitutes the Final Terms of the Warrants described herein **[**for the purposes of article 5.4 of the Prospectus Directive and article 8.4 of the Prospectus Act 2005][2] and must be read in conjunction with the Base Prospectus ([which includes the provisions of [Annex 1] [and] [Annex 2 in the case of Index Linked Warrants,] [Annex 3 in the case of Share Linked Warrants,] [Annex 4 in the case of Debt Linked Warrants,] [Annex 5 in the case of Commodity Linked Warrants,] [Annex 6 in the case of Inflation Linked Warrants,] [Annex 7 in the case of Currency Linked Warrants,] [Annex 8 in the case of Fund Linked Warrants,] [Annex 9 in the case of Underlying Interest Rate Linked Warrants] [Annex 11 in the case of ETI Linked Warrants])[3] and any Supplement(s) to such Base Prospectus published prior to the Issue Date (as defined below) (the "**Supplements**")[4]; provided, however, that to the extent any such Supplement (i) is published after the date of these Final Terms and (ii) provides for any change to the Conditions as set out under the heading "*Terms and Conditions of the Warrants*" in the Base Prospectus, such change(s) shall have no effect with respect to the Conditions of the Warrants to which these Final Terms relate. Full information on the Issuer], the Guarantor (if applicable)] and the offer of the Warrants is only available on the basis of the combination of these Final Terms, the Base Prospectus and any Supplement(s). Prior to acquiring an interest in the Warrants described herein, prospective investors should read and understand the information provided in the Base Prospectus and any Supplement(s). Copies of the Base Prospectus, any Supplement(s) and these Final Terms are available for inspection from the specified office of the Principal Warrant and Certificate Agent [and on the website of the Luxembourg Stock Exchange (www.bourse.lu)][6].

N.B. when using a post-1 July 2012 approved Base Prospectus to tap a previous issue under a previously approved Base Prospectus, the final terms in the post-1 July 2012 Base Prospectus may (and will if the previous issue was contemplated under a pre-1 July 2012 Base Prospectus) take a different form to the final terms used for the original issue being tapped. 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

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1 Delete in the case of any issue of Private Placement Warrants.

2 Delete in the case of any issue of Private Placement Warrants.

3 Delete as applicable.

4 Where applicable, include the date of any Supplements which have been published prior to the date of the Final Terms.

5 Delete in the case of any issue of Private Placement Warrants or amend as necessary in the case of any issue of warrants which is non-exempt and which will not be listed on the Luxembourg Stock Exchange.

6 Delete in the case of any issue of Private Placement Warrants or amend as necessary in the case of any issue of warrants which is non-exempt and which will not be listed on the Luxembourg Stock Exchange.

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.

[The following alternative language applies in respect of issues of Warrants where the public offer period spans an update to the Base Prospectus. If relevant, the update of the 2016 Base Prospectus will contain a list of offers for which the provisions of the paragraph below apply. Investors will be informed of their withdrawal rights in respect of such offers by notice when the 2016 Base Prospectus is published.][7]

[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 27 November 2015 [and the Supplement to the Base Prospectus dated [●]] ([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 Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and (i) prior to the approval date, must be read in conjunction with the 2015 Base Prospectus, as supplemented, and (ii) on and after the approval date, must be read in conjunction with the 2016 Base Prospectus, save in respect of the Conditions which are extracted from the 2015 Base Prospectus, as supplemented. The 2015 Base Prospectus, as supplemented, constitutes, and the 2016 Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on SecurAsset (the "**Issuer**") and the offer of the Warrants is only available on the basis of the combination of these Final Terms and either (i) prior to the approval date, the 2015 Base Prospectus, as supplemented, or (ii) on or after the approval date, the 2015 Base Prospectus, as supplemented, and the 2016 Base Prospectus. [The 2015 Base Prospectus, as supplemented, and these Final Terms are available [on [*website*]], and the 2016 Base Prospectus will be available for viewing at [*address*] [and] [*website*] and copies may be obtained from [*address*].]]

[*Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

[*When adding any other Final Terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a Supplement to the Base Prospectus under article 16 of the Prospectus Directive and article 13 of the Prospectus Act 2005.]*

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

SPECIFIC PROVISIONS FOR EACH SERIES[8]

SERIES NUMBER	NO. OF WARRANTS ISSUED	**[**NO. OF WARRANTS PER UNIT	ISIN	COMMON CODE	ISSUE PRICE PER **[**WARRANT/ UNIT]	CALL/PUT	EXERCISE PRICE	**[[**EXERCISE PERIOD]/ DATE]]	**[**RELEVANT JURISDICTION]	**[**SHARE AMOUNT/ DEBT SECURITY AMOUNT]	**[**PARITY

[7] Please note that if, for any reason, the 2016 Base Prospectus is not approved, the offer period for such issues must cease upon the expiry of the validity of the 2015 Base Prospectus.

[8] Complete/delete as applicable.

[●]	**[●]**	**[●]**	**[●]**	**[●]**	**[insert currency]**	**[call/ put]**	**[insert currency]**	**[●] TO [●]**	**[●]**	**[●]**	**[●]**
					[●]		**[●]**				

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1.	Trade Date:	[*specify*]
2.	Issue Date:	[*specify*]
3.	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] [The Warrants are fungible with an existing Series [*insert title of existing Series*], terms and conditions of which are governed by [the SecurAsset base prospectus dated 3 February 2010 (the "**2010 Base Prospectus**")][and the supplement to the 2010 Base Prospectus dated 31 August 2010 (the "**August 2010 Supplement**")][the SecurAsset base prospectus dated 23 February 2011 (the "**February 2011 Base Prospectus**")][the SecurAsset base prospectus dated 1 September 2011 (the "**September 2011 Base Prospectus**")][the SecurAsset base prospectus dated 1 June 2012 (the "**First June 2012 Base Prospectus**")][the SecurAsset base prospectus dated 29 June 2012 (the "**2012 Base Prospectus**")][the supplement to the 2012 Base Prospectus dated 18 October 2012 (the "**October 2012 Supplement**")][the supplement to the 2012 Base Prospectus dated 18 June 2013 (the "**June 2013 Supplement**")][the SecurAsset base prospectus dated 27 November 2013 (the "**2013 Base Prospectus**")][and the supplement to the 2013 Base Prospectus dated 23 April 2014 (the "**April 2014 Supplement**")][the SecurAsset base prospectus dated 27 November 2014 (the **"2014 Base Prospectus**")][and the supplement to the 2014 Base Prospectus dated 26 June 2015 (the "**June 2015 Supplement**")]. The Warrants [became][will become] fungible on [*insert date*].]
4.	Type of Warrants:	a) Warrants b) The Securities are [Index Linked Warrants/Share Linked Warrants/Debt Linked Warrants/ETI Linked Warrants/Commodity Linked Warrants/Inflation Linked Warrants/Currency Linked Warrants/Fund Linked Warrants/Underlying Interest Rate Linked Warrants/Hybrid Warrants/]. [The Warrants are [European/American] Style Warrants.

			The Warrants are [Call][Put] Warrants. Automatic Exercise [applies/does not apply]. (*N.B. Automatic Exercise may only apply in relation to Cash Settled Warrants*).][9] The provisions of Annex 1 [and] [the provisions of Annex 2 (Additional Terms and Conditions for Index Linked Securities) shall apply.] [the provisions of Annex 3 (Additional Terms and Conditions for Share Linked Securities) shall apply.] [the provisions of Annex 4 (Additional Terms and Conditions for Debt Linked Securities) shall apply.][the provisions of Annex 5 (Additional Terms and Conditions for Commodity Linked Securities) shall apply][the provisions of Annex 6 (Additional Terms and Conditions for Inflation Linked Securities) shall apply.] [the provisions of Annex 7 (Additional terms and Conditions for Currency Linked Securities) shall apply.][the provisions of Annex 8 (Additional Terms and Conditions for Fund Linked Securities) shall apply.][the provisions of Annex 9 (Additional Terms and Conditions for Underlying Interest Rate Linked Securities) shall apply.][the provisions of Annex 11 (Additional Terms and Conditions for ETI Linked Securities) shall apply.]
5.	(i)	Guaranteed Warrants:	[Not applicable] [Applicable – General Guarantee] [Applicable – Shortfall Guarantee (specify shortfall amount)] [Applicable – BNL Guarantee (*in respect of Warrants with an issue price of at least €100,000 only*)]
	(ii)	Guarantor:	[BNP Paribas][Banca Nationale del Lavoro S.p.A. (*BNL may only guarantee Warrants with an issue price of at least €100,000*)]
6.	Form of Warrants:		[Clearing System Global Warrant][Registered Global Warrant]
7.	Business Day Centre(s):		The applicable Additional Business Centre[s] for the purposes of the definition of "Business Day" in Condition 12 [is/are] [*specify*].
8.	Settlement:		Settlement will be by way of [cash payment (Cash Settled Warrants)] [and/or] [physical delivery (Physical Delivery Warrants)]. [Condition to Final Payout Premium: [Applicable as set out in Condition 5(k)]/[Not applicable].]
9.	Settlement Date:		[*specify*]

[9] Include for Warrants.

		(*N.B.: Only applicable for Cash Settled Warrants (other than Inflation Index Warrants or Commodity Warrants) if Settlement Date is different from the definition in Condition 12*)
		["**Settlement Business Day**" for the purposes of Condition 4 means [*specify*].
		(*N.B. Only applicable in the case of Physical Delivery Warrants*)]
		[Settlement Date Postponement: [Applicable as set out in Condition 5(j)/Not applicable] (where applicable, specify relevant Postponement Business Days and Payment Delay Days)]
10.	Settlement Date Extension:	[Applicable / Not applicable]
		[(*if Settlement Date Extension is applicable, specify the* Extended Settlement Date].
		[(*if Settlement Date Extension is applicable, specify whether* Sale of Assets *is applicable or not applicable*].
11.	Rounding Convention for Cash Settlement Amount:	[Rounding Convention [1][2]]/[Not applicable]
12.	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 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 12*)
	(ii) 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, and the provisions of Condition 4 will apply to the Securities/The Issuer will procure delivery of the Entitlement in respect of the Securities and the provisions of Condition 4 will not apply to the Securities.] [*Specify whether Warrantholders will be entitled to elect for settlement by way of cash payment or by way of physical delivery or a combination thereof for the purposes of Condition 1(a)*].
13.	Calculation Amount:	[*specify*]
14.	Final Payout[10]	[N x] [Final Payout][*specify percentage*]]
	[SPS Payouts	[**SPS Fixed Percentage Securities:**
		[*Replicate formula from Payout Condition 1*]]

[10] Refer to the contents page relating to Annex 1 (*Additional Terms and Conditions for Payouts*), which is on pages 610-614, for details of the location within the Payout Conditions of the terms and conditions that are applicable to the Securities given the Coupon/Premium Amount Rate, Payout or Entitlement Amount elections above.

[SPS Reverse Convertible Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[SPS Reverse Convertible Standard Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[SPS Vanilla Products

[Vanilla Call Securities:

[Replicate formula, relevant value(s) and other related provisions from Payout Condition 1]]

[Vanilla Call Spread Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Put Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Put Spread Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Digital Securities:

[*Replicate formula and other related provisions from Payout Condition 1*]]

[[Knock-in / Knock-out] Vanilla Call Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Asianing Products

[Asian Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Asian Spread Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Himalaya Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Auto-Callable Products

[Autocall Securities:

[Replicate formula, relevant value(s) and other related provisions from Payout Condition 1]]

[Autocall One Touch Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Autocall Standard Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[**Indexation Products**

[Certi Plus: Booster Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Bonus Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Leveraged Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Twin Win Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Super Sprinter Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Knock-in Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Knock-out Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Ratchet Securities

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Sum Securities

[*Replicate formula and related provisions from Payout Condition 1*]]

[Option Max Securities

[*Replicate formula and related provisions from Payout Condition 1*]]

[Stellar Securities

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]]

[Driver Securities

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]]

[Maximum Final Payout: [*specify*]/Not applicable]

[Minimum Final Payout: [*specify*]/Not applicable]

FI Payouts [FI FX Vanilla Securities:

[*Replicate formula and related provisions from Payout Condition 2*]]

[FI Inflation Securities:

[*Replicate formula and related provisions from Payout Condition 2*]]

[Payout Switch: [Applicable / Not applicable]

[*If applicable replicate related provisions from Condition 5(p)*]

Payout Switch Election: [Applicable / Not applicable]

Automatic Payout Switch: [Applicable / Not applicable]

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

16. Entitlement: [Applicable/Not applicable/Physical Delivery Option [1/2/3]]

a) [The Entitlement Amount in relation to each Security is:

[Delivery of Worst-Performing Underlying applicable:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[Delivery of Best-Performing Underlying applicable:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[Delivery of the Underlying applicable:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

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

(*N.B. Only applicable in relation to Physical Delivery Securities*)

17. Exchange Rate: [*specify*]

18. 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 [*specify*].

19. Syndication: The Securities will be distributed on a [non-]syndicated basis.

[*if syndicated, specify names of the Managers*]

20. Minimum Trading Amount: [*specify*]/[Not applicable]

21. Registrar: [BNP Paribas Securities Services, Luxembourg Branch]/[BNP PARIBAS Securities (Japan) Limited][ADDRESS][Not applicable][11]

22. Calculation Agent: [BNP Paribas]/[BNP Paribas Arbitrage S.N.C.]/[*specify other*][ADDRESS].

23. Index Linked Warrants: [Applicable – the Warrants are Index Linked Warrants /Not applicable]

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

(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.][12]

[The [●] Index is a Custom Index][13]

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[11] Include in the case of Registered Securities.

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

(ii)	Index Currency:	[*specify*]
(iii)	Exchange(s):	[*specify*]
(iv)	Related Exchange(s):	[*specify*]/[All Exchanges]
(v)	Exchange Business Day:	[Single Index Basis/All Indices Basis/Per Index Basis]
(vi)	Scheduled Trading Day:	[Single Index Basis/All Indices Basis/Per Index Basis] (*must match election made for Exchange Business Day*)
(vii)	Weighting:	[The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [*specify*]. Each such Weighting shall be subject to adjustment in accordance with Index Linked Condition 2]/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Indices*)]
(viii)	Strike Date:	[*specify*]
(ix)	Settlement Price:	[Official opening level]/[Official closing level]/[level at the Valuation Time][*specify*]
(x)	Specified Maximum Days of Disruption:	[[*specify*] Scheduled Trading Days/Scheduled Custom Index Business Days].
(xi)	Valuation Time:	Scheduled Closing Time/Any time [on the relevant Settlement Price Date /during the Observation Period.**]** **[**The Valuation Time is **[***specify***]]** (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).
(xii)	Delayed Redemption on Occurrence of an Index Adjustment Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
(xiii)	Principal Protected Termination Amount:	[Applicable/Not applicable]
(xiv)	Index Correction Period:	[As per Index Linked Condition 4/*specify*]
(xv)	Additional provisions applicable to Custom Indices:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Screen Page:	[*specify*]
	(b) Custom Index Business Day:	[All Custom Indices Basis/Per Custom Index Basis/Single Custom Index Basis]
	(c) Scheduled Custom	[All Custom Indices Basis/Per Index Basis/Single Custom

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

		Index Business Day:	Index Basis]
			(*N.B. Must match election made for Custom Index Business Day*)
	(d)	Custom Index Correction Period:	[As per Index Linked Condition 8]/[*specify*]
	(e)	Delayed Redemption on Occurrence of a Custom Index Adjustment Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
	(f)	Custom Index Disruption Event:	[[Specified Maximum Days of Disruption will be equal to: [●]]/[As per Index Linked Condition 6]] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*).
24.	Share Linked Warrants:		[Applicable – the Warrants are Share Linked Warrants /Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Share(s)/Share Company/Basket Company/GDR/ADR:	[*insert type of Share(s) and Share Company/Basket Companies*] [*Insert screen page*] [*Insert details of GDR/ADR*][14]
	(ii)	Relative Performance Basket:	[Not applicable/*specify*]
	(iii)	Share Currency:	[*specify*]
	(iv)	ISIN of Share(s):	[*specify*]
	(v)	Exchange(s):	[*specify*]
	(vi)	Related Exchange(s):	[*specify*]/[All Exchanges]
	(vii)	Exchange Business Day:	[Single Share Basis/All Shares Basis/Per Share Basis]
	(viii)	Scheduled Trading Day:	[Single Share Basis/All Shares Basis/Per Share Basis] (*must match election made for Exchange Business Day*)
	(ix)	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 the case of Share Linked Warrants]/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Shares*)]

[14] 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).

	(x)	Settlement Price:	[Official closing price]/[Italian Securities Reference Price]/[price at the Valuation Time]][*specify*]
	(xi)	Specified Maximum Days of Disruption:	[As defined in Condition 5 of Annex 4 (*Additional Terms and Conditions for Debt Linked Securities*)][[*specify*] Scheduled Trading Days].
	(xii)	Valuation Time:	Scheduled Closing Time/Any time [on the relevant Settlement Price Date /during the Observation Period.**]** **[**The Valuation Time is **[***specify***]]** (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).
	(xiii)	Share Correction Period	[As per Share Linked Condition 4/*specify*]
	(xiv)	Dividend Payment:	[Applicable/Not applicable]
	(xv)	Listing Change:	[Applicable/Not applicable]
	(xvi)	Listing Suspension:	[Applicable/Not applicable]
	(xvii)	Illiquidity:	[Applicable/Not applicable]
	(xviii)	Tender Offer:	[Applicable/Not applicable][15]
25.	Debt Linked Warrants:		[Applicable – the Warrants are Debt Linked Warrants /Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Debt Securities:	[*specify*][Not applicable]
	(ii)	Nominal Amount:	[The relevant nominal amount is [●] and the Relevant Screen Page is [●].][Not applicable]
	(iii)	Reference Price:	[The Reference Price[s] for [*specify relevant Debt Securities*] is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]
	(iv)	Exchange Business Day Centre(s):	[*specify*]
	(v)	Valuation Time:	[*specify*]
	(vi)	Specified Maximum Days of Disruption:	[As defined in Condition 5 of Annex 4 (*Additional Terms and Conditions for Debt Linked Securities*)]/[[*specify*] Scheduled Trading Days.][Not applicable]
	(vii)	Delayed Redemption on Occurrence of Debt Security Redemption Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]

[15] Only to be disapplied for Tokyo EQD Securities.

	(viii)	Debt Security Correction Period:	[As per the Conditions]/[ ]/[Not applicable]
	(ix)	Debt Security Issuer:	[ ]/[Not applicable]
	(x)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Securities to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
26.	ETI Linked Warrants:		[Applicable – the Warrants are ETI Linked Warrants/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	ETI/ETI Basket:	[*specify*]
	(ii)	ETI Interest(s):	[*insert type of ETI Interest(s)*]
	(iii)	ETI Related Party:	[As per ETI Linked Condition 1]/[*specify*]
	(iv)	ETI Documents:	[As per ETI Linked Condition 1]/[*specify*]
	(v)	Exchange(s):	[*specify*]/[Not applicable]
	(vi)	Related Exchange:	[*specify*]/[All Exchanges]/[Not applicable]
	(vii)	Scheduled Trading Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
	(viii)	Exchange Business Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
	(ix)	Calculation Date(s):	[As per ETI Linked Condition 1]/[*specify*]
	(x)	Initial Calculation Date:	[*specify*]/[Not applicable]
	(xi)	Final Calculation Date:	[*specify*]/[Not applicable]
	(xii)	Hedging Date:	[*specify*]
	(xiii)	Investment/AUM Level:	[As per ETI Linked Condition 1]/[*specify*]
	(xiv)	Value per ETI Interest Trading Price Barrier:	[As per ETI Linked Condition 1]/[*specify*]
	(xv)	Number of Value Publication Days:	[[*specify*] calendar days] [[*specify*] 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)*]
	(xvi)	Value Trigger Percentage:	[As per ETI Linked Condition 1]/[*specify*]
	(xvii)	Value Trigger Period:	[As per ETI Linked Condition 1]/[*specify*]

	(xviii)	Basket Trigger Level:	[As per ETI Linked Condition 1]/[*specify*]
	(xix)	Settlement Price/Closing Price:	[Official closing price]/[Value per ETI Interest]
	(xx)	Weighting:	The Weighting to be applied to each ETI Interest comprising the ETI Basket is [*specify*]
	(xxi)	Valuation Time:	[*specify*]
	(xxii)	Valuation Date:	[*specify*]
	(xxiii)	Specified Maximum Days of Disruption:	[*specify*] [eight (8) Scheduled Trading Days]
	(xxiv)	Additional Extraordinary ETI Event(s):	[*specify*]
	(xxv)	Maximum Stock Loan Rate:	[The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [*specify*].]
	(xxvi)	ETI Interest Correction Period:	[*specify*]
	(xxvii)	Protected Amount:	[*specify*]
	(xxviii)	Termination Date:	[*specify*]
	(xxix)	Market Disruption:	[Specified Maximum Days of Disruption will be equal to [specify] [eight(8)] Scheduled Training Days]
27.	Commodity Linked Warrants:		[Applicable – the Warrants are Commodity Linked Warrants/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Commodity/Commodities/ Commodity Index/Commodity Indices:	[*specify Commodity/Commodities/Commodity Index/Commodity Indices*] [The Sponsor[s] of the Commodity [Index/Indices] [is/are] [*specify*]]
	(ii)	Pricing Date(s):	[*specify*]
	(iii)	Initial Pricing Date:	[*specify*]
	(iv)	Final Pricing Date:	[*specify*]
	(v)	Commodity Reference Price:	[*specify*] The Price Source is/are [*specify*][16]
	(vi)	Delivery Date:	[*specify*]/[Not applicable]
	(vii)	Nearby Month:	[*specify*]/[Not applicable]

[16] Delete if using automated Commodity Reference Prices

	(viii)	Specified Price:	[*specify*]/[Not applicable]
	(ix)	Exchange:	[*specify*]/[Not applicable]
	(x)	Disruption Fallback(s):	[*specify*]/[As per Commodity Linked Condition 2]
	(xi)	Valuation Time:	[Continuous monitoring [*specify other*] and the relevant time on [*insert relevant date(s)*].]/[*specify*]
	(xii)	Specified Maximum Days of Disruption:	[*specify*] [[*specify*] Commodity Business Days][17]/
	(xiii)	Weighting:	[Not applicable/[specify]. Each such Weighting shall be subject to adjustment in accordance with Commodity Linked Condition 2]
28.	Inflation Linked Warrants:		[Applicable – the Warrants are Inflation Linked Warrants/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index/Indices/Index Sponsor:	[*specify name of inflation index/indices*] [*specify name of inflation index sponsor(s)*]
	(ii)	Related Bond:	[Applicable/Not applicable]
	(iii)	Issuer of Related Bond:	[Applicable/Not applicable] [*If applicable, specify*]
	(iv)	Fallback Bond:	[Applicable/Not applicable]
	(v)	Related Bond Redemption Event:	[Applicable/Not applicable] [*If applicable, specify*]
	(vi)	Substitute Inflation Index Level:	[As determined in accordance with Annex 6] [*specify*].
	(vii)	Cut-off Date:	In respect of a [Valuation Date], the day that is [*specify*] Business Days prior to such [Valuation Date].
	(viii)	Valuation Date:	[*specify*]
29.	Currency Linked Warrants:		[Applicable – the Warrants are Currency Linked Warrants/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Relevant Screen Page:	[*specify*]
	(ii)	The relevant base currency (the "Base Currency") is:	[*specify*]
	(iii)	The relevant subject [currency/currencies] ([the]/[each a] "Subject	[*specify*]

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

Currency") [is/are]:

(iv)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Currencies to ascertain the Settlement Price is [*specify*]]
(v)	Price Source:	[*specify*]
(vi)	Specified Maximum Days of Disruption:	[*specify*]/[five] Scheduled Trading Days
(vii)	Strike Date:	[*specify*] [Currency Convention: [As per Currency Linked Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
(viii)	Averaging Date(s):	[*specify*] [Currency Convention: [As per Currency Linked Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
(ix)	Observation Dates:	[*specify*] [Currency Convention: [As per Currency Linked Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
(x)	Settlement Price:	[*specify*]
(xi)	Valuation Time:	[*specify*]
(xii)	Valuation Date/Redemption Valuation Date:	[*specify*] [Currency Convention: [As per Currency Linked Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

30. Fund Linked Warrants: [Applicable - the Warrants are Fund Linked Warrants/Not applicable]

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

(i)	Fund/Fund Basket:	[*specify*] [The [*specify*] Fund is a Mutual Fund] [The [*specify*] Fund is a Hedge Fund] [The [*specify*] Fund is a Private Equity Fund]
(ii)	Fund Share(s):	[*specify*]
(iii)	Fund Documents:	[As per Fund Linked Condition 1]/[*specify*]
(iv)	Fund Business Day:	[All Fund Share Basis/Per Fund Share Basis/Single Fund Share Basis]

	(v)	Fund Service Provider:	[As per Fund Linked Condition 1]/[*specify*]
	(vi)	Calculation Date(s):	[As per Fund Linked Condition 1]/[*specify*]
	(vii)	Initial Calculation Date:	[As per Fund Linked Condition 1]/[*specify*]
	(viii)	Final Calculation Date:	[*specify*]
	(ix)	Hedging Date:	[*specify*]
	(x)	AUM Level:	[As per Fund Linked Condition 1]/[*specify*]
	(xi)	NAV Trigger Percentage:	[As per Fund Linked Condition 1]/[*specify*]
	(xii)	NAV Trigger Period:	[*specify*]
	(xiii)	Number of NAV Publication Days:	[As per Fund Linked Condition 1]/[*specify*]
	(xiv)	Basket Trigger Level:	[As per Fund Linked Condition 1]/[*specify*]
	(xv)	Termination Date:	[*specify*]
	(xvi)	Delayed Payment Cut-off Date:	[As per Fund Linked Condition 1]/[*specify*]
	(xvii)	[Weighting:	[Not applicable/[*specify*]. Each such Weighting shall be subject to adjustment in accordance with Fund Linked Condition 4]
	(xviii)	Protected Amount:	[*specify*] per Security
31.	Underlying Interest Rate Linked Warrants:		[Applicable - the Warrants are Underlying Interest Rate Warrants/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate$_1$:" and "Underlying Interest Rate$_2$:" and repeat paragraphs 31(i) to (vii) below, as applicable*)
	(i)	Underlying Interest Determination Date(s):	[*specify*]
	(ii)	Manner in which the Underlying Interest Rate is to be determined:	[Screen Rate Determination/ISDA Determination]
	(iii)	Screen Rate Determination:	
		(a) Underlying Reference Rate:	[*specify*] *(Either LIBOR, EURIBOR or other)*
		(b) 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)*

(c) Relevant Screen Page: [*specify*]

(iv) ISDA Determination:

(a) Floating Rate Option: [*specify*]

(b) Designated Maturity: [*specify*]

(c) Reset Date: [*specify*]

(v) Underlying Margin(s): [+/-][●] per cent. per annum

(vi) Minimum Underlying Reference Rate: [●] per cent. per annum

(vii) Maximum Underlying Reference Rate: [●] per cent. per annum

32. Hybrid Warrants: [Applicable/Not applicable]

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

[If applicable:

(i) The Warrants are linked to each of the types of Underlying Reference (each a "**Type of Underlying Reference**") set out in the table below. The terms and conditions of the Warrants 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[, subject as provided in (ii) below].

[*Include each Type of Underlying Reference*]

Type of Underlying Reference

[●] [See item [●]]

[●] [See item [●]]

[●] [See item [●]]

(ii) Hybrid Business Day [Applicable/Not applicable]

[*if applicable*:

"**Hybrid Business Day**" means a day which is a Scheduled Trading Day (as defined in the relevant Annex and completed in the applicable Final Terms) for each Type of Underlying Reference

specified in the applicable Final Terms.

[*If Hybrid Business Day is applicable, each date for valuation (e.g. valuation date, averaging date, observation date etc.) which is the subject of the Hybrid Warrants provisions should be expressed to be "[●] or if that is not a Hybrid Business Day the immediately [succeeding/preceding] Hybrid Business Day"*]]

33.	Early Termination:		[Applicable][Not applicable]
	(i)	Early Termination Amount:	[Payout Amount] [Calculation Amount x [*specify*] per cent.] [Liquidation Proceeds] [Liquidation Proceeds Cap: not applicable] [Liquidation Proceeds/Fair Market Value] [*Specify*]
	(ii)	Early Termination Events:	
		(a) Asset Payment Default Event:	[Applicable][Not applicable]
		(b) Asset Default Event:	[Applicable][Not applicable]
		(c) Asset Redemption Event:	[Applicable][Not applicable]
		(d) Asset Payment Shortfall Event:	[Applicable][Not applicable]
		(e) Compartment Tax Event:	[Applicable][Not applicable]
		(f) Related Agreement Termination Event:	[Applicable][Not applicable]
		(g) Annex Early Redemption Event:	[Applicable][Not applicable]
		(h) Compartment Change in Law Event:	[Applicable][Not applicable]
		(i) Reference Securities Restructuring Event:	[Applicable][Not applicable]
		(j) Reference Securities Regulatory Event:	[Applicable][Not applicable]
		(k) Charged Asset Repudiation / Moratorium Event:	[Applicable][Not applicable]
		(l) Charged Assets Issuer Bankruptcy Event:	[Applicable][Not applicable]

	(iii) Swap Counterparty optional termination - Call option (Condition 9(h)(i)):	[Applicable][Not applicable] (*If applicable, specify dates on which the Swap Counterparty may opt to terminate the Swap Agreement and on what notice to the Issuer*)
	(iv) Swap Counterparty optional termination - Repurchase (Condition 9(h)(ii)):	[Applicable][Not applicable]
	(v) Settlement Date Extension:	[Applicable][Not applicable] [*if Settlement Date Extension is applicable, specify the Extended Settlement Date*] [*if Settlement Date Extension is applicable, specify whether "Sale of Assets" is applicable or not applicable*]
	(vi) Swap Termination Without Cancellation:	[Applicable][Not applicable]
	(vii) No Unwind Costs:	No Unwind Costs is [applicable][not applicable]
34.	Additional Disruption Events:	[Applicable/Not applicable]/[Change in Law/Hedging Disruption] does not apply to the Securities]
35.	Optional Additional Disruption Events:	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 Linked Securities, Share Linked Securities, ETI Linked Securities and Commodity Linked Securities. Careful consideration should be given to whether Optional Additional Disruption Events would apply for Debt Linked Securities, Currency Linked Securities and Fund Linked Securities.*) [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] (*N.B. Only applicable in the case of Share Linked Securities*) [Cancellation Event] (*N.B. Only applicable in the case of Debt Linked Securities*) [Loss of Stock Borrow] [[Stop-Loss Event] (*specify applicable levels for purposes of Condition 8(e)*) [Stop-Loss Event Percentage: [5] per cent.]]

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

[Failure to Deliver due to Illiquidity]

(*N.B. Failure to Deliver due to Illiquidity is applicable to certain Share Linked Securities. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Securities*)

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

(*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 [*specify*].

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

36. Knock-in Event[18]: [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) SPS Knock-in Valuation: [Applicable/Not applicable]

[*If applicable replicate relevant provisions from Payout Condition 1*]

[*If SPS Knock-in Valuation is not applicable and the Securities are Currency Securities, specify if FX Knock-in Valuation is applicable*.]

[*If FX Knock-in Valuation is applicable, insert relevant provisions from Payout Condition 1*.]

[FX Coupon Performance: [Applicable/Not applicable]]

[Performance Value: [Applicable/Not applicable]]

(ii) Level: [Official level]/[Official close]/[last price]/[traded price]/[bid price]/[asked price] /[Standard Level]/[Not applicable]

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[18] Only applicable in relation to Index Linked Securities, Share Linked Securities, Debt Linked Secruties, ETI Linked Securities, Commodity Linked Securities and Currency Linked Securities.

	(iii)	Knock-in [Price][Level]/Knock-in Range [Price][Level]:	[*specify*][FX Knock-in Level] [*If FX Knock-in Level is specified insert relevant provisions from Payout Condition 1*]
	(iv)	Knock-in Period Beginning Date:	[*specify*]
	(v)	Knock-in Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(vi)	Knock-in Determination Period:	[*specify*]/[See definition in Condition 7(q)]
	(vii)	Knock-in Determination Day(s):	[*specify*]/[Each [Scheduled Trading Day/ Scheduled Custom Index Business Day/ Commodity Business Day/Fund Business Day/Business Day] in the Knock-in Determination Period]
	(viii)	Knock-in Period Ending Date:	[*specify*]
	(ix)	Knock-in Period Ending Date Day Convention:	[Applicable/Not applicable]
	(x)	Knock-in Valuation Time:	[*specify*/See definition in Condition 7(q)]/[Valuation Time]/[Any time on a Knock-in Determination Day]/[Not applicable]
	(xi)	Knock-in Value:	[*specify*]
	(xii)	Knock-in Observation Price Source:	[*specify*]
37.	Knock-out Event[19]:		[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)	SPS Knock-out Valuation:	[Applicable/Not applicable] [*If applicable replicate relevant provisions from Payout Condition 1*] [*If SPS Knock-out Valuation is not applicable and the Warrants are Currency Linked Securities, specify if FX Knock-out Valuation is applicable*.]

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

			[*If FX Knock-out Valuation is applicable, replicate relevant provisions from Payout Condition 1.*]
			[FX Coupon Performance: [Applicable/Not applicable]]
			[Performance Value: [Applicable/Not applicable]]
	(ii)	Level:	[Official level]/[Official close]/[last price]/[traded price]/[bid price]/[asked price][Standard Level][Not applicable]
	(iii)	Knock-out [Price][Level] /Knock-out Range [Price][Level]:	[*specify*] [FX Knock-out Level]
			[*If FX Knock-out Level is specified replicate relevant provisions from Payout Condition 1*]
	(iv)	Knock-out Period Beginning Date:	[*specify*]
	(v)	Knock-out Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(vi)	Knock-out Determination Period:	[*specify*]
	(vii)	Knock-out Determination Day(s):	[*specify*]/[Each [Scheduled Trading Day/ Scheduled Custom Index Business Day/ Commodity Business Day/Fund Business Day/Business Day] in the Knock-out Determination Period]
	(viii)	Knock-out Period Ending Date:	[*specify*]
	(ix)	Knock-out Period Ending Date Day Convention:	[Not applicable/Applicable]
	(x)	Knock-out Valuation Time:	*[specify]*/[See definition in Condition 7(q)] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]
	(xi)	Knock-out Value:	[*specify*]
	(xii)	Knock-out Observation Price Source:	[*specify*]
38.	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).*
39.	Minimum Exercise Number:		The minimum number of Warrants that may be exercised (including automatic exercise) on any day by any Holder of Securities is [*specify*] [and Warrants may only be exercised (including automatic exercise) in integral

		multiples of [*specify*] Warrants in excess thereof].
40.	Maximum Exercise Number:	The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders of Securities (whether or not acting in concert) is [*specify*]. *(N.B. not applicable for European Style Warrants)*
41.	Issuer Call Option:	[Applicable/Not applicable]
42.	Optional Termination Date:	[*specify*]
43.	Optional Termination Amount:	[*specify*]
44.	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 Index Linked Securities, Annex 3 in the case of Share Linked Securities, Annex 4 in the case of Debt Linked Securities and Annex 5 in the case of Commodity Linked 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)*.
45.	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).*
46.	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).*
47.	Other provisions:	[Applicable][Not applicable]
	(i) [Renouncement Notice Cut-off Time]:	[10.00 a.m. (Milan time)/5.00 p.m.[20] (Milan time)]]
	(ii) Valuation Date:	[The Valuation Date shall be the Actual Exercise Date of the relevant Warrant, subject to adjustments in accordance with Condition 4]/[The Valuation Date shall be the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant, subject to adjustments in accordance with Condition 4]/[*specify*]. (*N.B. specify if different from the definition in Condition 4.*)
		[Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Linked Securities*)

[20] 10.00 a.m. (Milan time) where the Underlying are Shares listed in Italy or indices managed by Borsa Italiana, or otherwise choose 5.00 p.m.

(iii)	Strike Date:	[*specify*] (*N.B. Only relevant for certain Index, Share, and Currency Linked Securities*) [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Linked Securities*)
(iv)	Strike Day:	[*specify*]
(v)	Strike Period:	[*specify*]
(vi)	Strike Price:	[*specify*]
(vii)	Averaging:	Averaging [applies/does not apply] to the Warrants. [The Averaging Dates are [*specify*].] (*Not applicable to Inflation Linked Securities*) [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Linked Securities*) [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (*N.B. Not applicable to Index Linked Securities relating to a Custom Index or Commodity Linked Securities)*]
(viii)	Observation Dates:	[*specify*]/[Not applicable] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Linked Securities*) [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (*N.B. Not applicable to Index Linked Securities relating to a Custom Index or Commodity Linked Securities*)
(ix)	Observation Period:	[*specify*]/[Not applicable]
(x)	Swap Termination Without Cancellation:	[Applicable/Not applicable]
(xi)	Automatic Early Expiration[21]:	[Applicable / Not applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*) [*If applicable*: ["greater than" / "greater than or equal to" / "less than" / "less than or equal to"]]

[21] Only applicable in relation to Index Linked Warrants, Share Linked Warrants, ETI Linked Warrants, Commodity Linked Warrants, Debt Linked Warrants and Currency Linked Warrants.

[AER Knock-out: [Knock-out Event]/[Knock-in Event]

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition [1]*.]

(a) Automatic Early Expiration Level: [*specify*]

(b) Automatic Early Expiration Time: [*specify*]

(c) Automatic Early Redemption Payout: [SPS Automatic Early Redemption Payout:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1]*

[Target Automatic Early Redemption:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*]

[FI Underlying Automatic Early Redemption:

Accrual to Automatic Early Redemption: [Applicable/Not applicable]

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*]

[FI Coupon Automatic Early Redemption:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*]

(d) AER Rate: [*specify*][Not applicable]

(e) AER Exit Rate: [Not applicable]

[AER Rate

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[AER Athena up Rate

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[AER CSN Rate

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

(f) Automatic Early Expiration Valuation Time: [*specify*]

(g)	Automatic Early Expiration Valuation Date(s):	[*specify*]
(h)	Automatic Early Expiration Valuation Period:	[*specify*]
(i)	Automatic Early Expiration Settlement Date:	[*specify*]
(j)	Observation Price Source:	[*specify*]
(k)	Underlying Reference Level:	[Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Underlying Reference Level]
(l)	SPS AER Valuation:	[Applicable/Not applicable] [*If applicable include formula, relevant value(s) and related provisions from Payout Condition 1*]
(m)	SPS AER Value:	[*specify for purposes of Condition 5(i)]*]
(n)	AER Knock-out:	[Applicable/Not applicable] [Knock-out Event] [Knock-in Event]

COMPARTMENT ASSETS AND SECURITY

48.	Description of Compartment:	Compartment [ ][*specify number/designation*]
(i)	Legal nature of the Charged Assets:	As set out in Condition [9(c)(i)[(A)[and](B)(C)]] (*Specify as applicable*) [*Specify governing law jurisdiction(s)*] The Related Agreements are: [the Swap Agreement;[and]][.][*specify for all applicable Charged Asset Structures*] [the Deposit Agreement.];[and][*specify where Charged Asset Structure 1 or 3 is applicable*] [the Repurchase Agreement.][*specify where Charged Asset Structure 7 is applicable*] [The Compartment Assets are the Reference Securities specified in paragraph 10 of Part B][*specify if one of Charged Asset Structures 2, 5 or 6 is applicable*]
(ii)	Compartment Account:	[Applicable/Not applicable]
(iii)	Cash Manager:	[Applicable – BNP Paribas Securities Services, Luxembourg

		Branch / Not applicable]
(iv)	Account Bank:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable.]
(v)	Custodian:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable.]
(vi)	Sub-Custodian in relation to the Compartment Assets:	[Applicable / Not applicable]
(vii)	Compartment Security for the Warrants is "Charged Assets charged to Trustee; additional foreign law security":	[Applicable / Not applicable]
(viii)	Compartment Assets substitution by Swap Counterparty (pursuant to Condition 9(f)):	[Applicable / Not applicable]
(ix)	Permitted currency of securities to be substituted for the Compartment Assets (pursuant to Condition 9(f)):	[*Specify currency*]
(x)	Eligible Compartment Assets Issuer:	[*Identify any Eligible Compartment Assets Issuer for the purposes of Condition 9(f) including its name, address, country of incorporation, nature of its business and confirmation that it has securities admitted to trading on a regulated or equivalent market or has obligations guaranteed by an entity admitted to trading on a regulated or equivalent market.*]
(xi)	Alternative Substitution (Condition 9(f)):	[Applicable / Not applicable]
(xii)	Delivery or payment of the securities, obligations or cash which may be substituted for the Compartment Assets to the Custodian by (if not Swap Counterparty): (Condition 9(f)):	[Counterparty]
(xiii)	Substitution Notification:	[Applicable][Not applicable]
49.	Compartment Assets substitution under a Credit Support Annex/Credit Support Deed/Pledge: delivery or payment of securities, obligations or cash by (if not Swap Counterparty) (Condition 9(g)):	[Credit Support Annex / Credit Support Deed/Pledge][Counterparty]

50.	The order of priority of payments made by the issuer to the holders of the class of securities in question:	[Swap Counterparty Priority][Pari Passu Ranking][Warrantholder Priority]

DISTRIBUTION

51.	Date of [Subscription Agreement]:[22]	[*specify*]
52.	Name of [and address][23] Dealer:	[*specify*]
53.	Total commission and concession:[24]	[*specify*] per cent. of the Aggregate Nominal Amount
54.	Non exempt Offer:	[Applicable][Not applicable] (*If not applicable, delete the remaining placeholders of this paragraph and paragraph 7 of Part B*)
	(i) Non-exempt Offer Jurisdictions:	[*specify relevant Member State(s) where the Issuer intends to make Non-exempt Offers (select from the list of Non-exempt Offer Jurisdictions in the Base Prospectus) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*]
	(ii) Offer Period:	[*specify date, and if applicable, time*] until [and including][*specify date (and if applicable, time) or a formula such as "the Issue Date" or "the date which falls* [*specify*] *Business Days thereafter*"] [subject to any early closing]
	(iii) Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it:	[*insert names and addresses of financial intermediaries receiving consent (specific consent)*]

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22 Delete, if the issue price is less than EUR100,000 (or is equivalent in the relevant currency as of the Issue Date).

23 Delete if the issue price is EUR100,000 (or its equivalent in the relevant currency as of the Issue Date).

24 Delete if issue price is EUR100,000 (or its equivalent in the relevant currency as of the Issue Date).

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market][and listing on an official list] of the Warrants described herein] pursuant to the SecurAsset S.A. €20,000,000,000 Secured Note, Warrant and Certificate Programme.

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

PART B – OTHER INFORMATION

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

(i)	Listing:	[Luxembourg Stock Exchange's Official List/*Specify other*/None]
(ii)	Admission to trading:	[Application has been or will be made for the Warrants to be admitted to trading on [Luxembourg Stock Exchange's Regulated Market/Luxembourg Stock Exchange's Euro MTF Market/*Specify other*] [with effect from [*specify*]].] [Not applicable.] *(Where documenting a fungible issue need to indicate that original [Warrants] are already admitted to trading)]*
(iii)	Estimate of total expenses related to admission to trading:	[*specify*]
(iv)	De-listing:	[Not applicable][The de-listing of the Warrants on the [exchange/regulated market] specified above shall occur on [*specify*], subject to any change to such [date/period] by such [exchange/regulated market] or any competent authorities, for which the Issuer [and the Guarantor] shall under no circumstances be liable].

2. Ratings

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

[The Securities 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:*

(The above disclosure should reflect the rating allocated to Warrants 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.]

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.]

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

[Not applicable] *[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.*]

4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses[25]

(i)	Reasons for the offer:	[*specify*][Not applicable]
(ii)	Estimated net proceeds:	[Up to] [*specify*][Not applicable] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
(iii)	Estimated total expenses:	[*specify*] [*Include breakdown of expenses*]]

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

[Not applicable] [*Need to include details of where past and future performance and volatility of the index/formula/other variables can be obtained and an example of how the value of the investment is affected by the value of the underlying may be included.*]

[*Where the underlying is an index need to include the name of the index and where the information about the index can be obtained. NB: The Securities may not be linked to an index composed by the Issuer or any entity belonging to the same group as the Issuer.*]

[*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].

6. Operational Information

(i)	ISIN Code:	**[***specify***]**
(ii)	Common Code:	**[***specify***]**
(iii)	Any clearing system(s) other	**[**Not applicable/Central Moneymarkets Unit/*give*

[25] Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

	than Euroclear and Clearstream, Luxembourg approved by the Issuer and the Principal Paying Agent and the relevant identification number(s):	*name(s) and number(s)***]**
(iv)	Delivery:	Delivery **[**against/free of**]** payment
(v)	Additional Paying Agent(s) (if any):	**[**Not applicable/*give name***]**

7. Public Offer

(i)	Authorised Offeror:	[Not applicable]/[Specify identity of any Authorised Offeror(s)] [See paragraph 54 of Part A above]
(ii)	Offer Period:	[*specify*]/[Not applicable] [See paragraph 54 of Part A above]
(iii)	Offer Price:	*[[specify]*[●] per cent. of the Issue Price (of which [[selling] fees] and [commissions] of [●] of [●] [the Aggregate Nominal Amount] shall be retained by [the Authorised Offeror[s]] [and a [maximum] amount of [●] per cent. is represented by commissions payable to the Authorised Offeror[s].]
(iv)	[Conditions to which the offer is subject:]	[Not applicable/*give details*] [The Issuer will in its sole discretion determine the final amount of Securities issued up to a limit of [*specify*]. The final amount that are issued on [*specify*] will be listed on the [Euronext Amsterdam/Official List of the Luxembourg Stock Exchange/Euronext Paris/Euronext Brussels/Italian Stock Exchange/stock exchange of [Madrid/Barcelona/Valencia/Bilbao]/Euronext Paris/Euronext Brussels/[*specify other exchange*]]. Securities will be allotted subject to availability in the order of receipt of investors' applications. The final amount of the Securities issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the number of Securities which have been agreed to be purchased as of [*specify*].] [Article 30 of Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the "**Italian Financial Services Act**") permits the promotion and placement to the public in the Republic of Italy of financial instruments in a place other than the registered office or establishments of the issuer, offeror or appointed person carrying out such promotion and/or placement, under certain conditions. Such activity is referred in the Italian Financial Services Act as "door-to-door selling". Pursuant to paragraph 6 of Article 30 of the Italian Financial Services Act, all door-to-door

		selling of financial instruments must be accompanied by a clear indication to investors that they have a right of withdrawal from any contract entered into pursuant to door-to-door selling, exercisable within a period of seven days from the date of subscription by the investor. Within such period, contracts entered into pursuant to door-to-door selling shall not be enforceable, and investors may exercise their withdrawal right without payment of any charge or commission by contacting the offeror or appointed person with whom the subscription for Warrants was placed.] [A non-exempt offer of Warrants in the Republic of Italy may be made using door-to-door selling in accordance with Article 30 of the Italian Financial Services Act during the Offer Period.] [Further, Warrants may be offered in the Republic of Italy to investors through recorded telephone orders pursuant to applicable Italian law.]
(v)	[Description of the application process:]	[Not applicable/*give details*]
(vi)	[Details of the minimum and/or maximum amount of application:]	[Not applicable/*give details*]
(vii)	[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not applicable/*give details*]
(viii)	[Details of the method and time limits for paying up and delivering the Securities:]	[Not applicable/*give details*]
(ix)	[Manner in and date on which results of the offer are to be made public:]	[Not applicable/*give details*]
(x)	[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/*give details*]
(xi)	[Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:]	[Not applicable/*give details*]
(xii)	[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/*give details*]

8. Placing and Underwriting[26]

(i)	[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None/*give details*]
(ii)	Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:[27]	[*specify*]
(iii)	Name and address of any paying agents and depository agents in each country:	[*specify*]
(iv)	Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:[28]	[*specify*]
(v)	When the underwriting agreement has been or will be reached:]	[*specify*]

9. Historic Interest Rates

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

10. Description of Charged Assets

(i) Charged Asset Structure: [Charged Asset Structure 1]/[Charged Asset Structure 2]/[Charged Asset Structure 3]/[Charged Asset Structure 4]/[Charged Asset Structure 5]/[Charged Asset Structure 6]/[Charged Asset Structure 7]/[Charged Asset Structure 8] is applicable.

[Where Charged Asset Structure 1 is applicable replicate the following paragraphs from Charged Asset Structure 1 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 1 from paragraphs 2.7 and 3.14:

1.1, 2.1, 2.2 (if applicable; if not applicable do not replicate), 2.3, 2.4, 2.5 (if applicable; if not applicable do not replicate), 2.6 (if applicable; if not applicable do not replicate), 3.1 (do not replicate if 3.2 is applicable), 3.2 (if applicable; if not applicable do not replicate), 3.3 (if applicable; if not applicable do not replicate), 3.4

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[26] To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

[27] Where not all of the issue is underwritten, a statement of the portion not covered.

[28] See "Risk Factors relating to Securities – Potential Conflicts of Interest" in the Base Prospectus for further information.

(replicate if Interim Payment Amount is payable), 3.5 (replicate if Automatic Early Settlement is applicable), 3.6 (if applicable; if not applicable do not replicate), 3.7, 3.8 (if applicable, if not applicable do not replicate), 3.9, 3.10 (if applicable; if not applicable do not replicate), 3.11 (if applicable; if not applicable do not replicate), 3.12 (if applicable; if not applicable do not replicate), 3.13, 4 and 5]

[Where Charged Asset Structure 2 is applicable replicate the following paragraphs from Charged Asset Structure 2 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 2 from paragraphs 1.3, 2.11 and 3.4:

1.1, 2.1 (*do not replicate if 2.2 is applicable*), 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*replicate if Interim Payment Amount is payable*), 2.5 (*if applicable, if not applicable do not replicate*), 2.6 (*replicate if Automatic Early Settlement is applicable*), 2.7, 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10, 3.1, 3.2, 3.3 (*replicate if Automatic Early Settlement is applicable*), 4 and 5]

[Where Charged Asset Structure 3 is applicable replicate the following paragraphs from Charged Asset Structure 3 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 3 from paragraphs 2.6 and 3.11:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3, 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable, if not applicable do not replicate*), 3.1 (*do not replicate if 3.2 is applicable*), 3.2 (*if applicable; if not applicable do not replicate*), 3.3 (*replicate if Interim Payment Amount is payable*), 3.4 (*replicate if Automatic Early Settlement is applicable*), 3.5 (*if applicable; if not applicable do not replicate*), 3.7, 3.8, 3.9 (*if applicable; if not applicable do not replicate*), 3.10 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 4 is applicable replicate the following paragraphs from Charged Asset Structure 4 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 4 from paragraph 2.10:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*replicate if Interim Payment Amount is payable*), 2.4 (*replicate if Automatic Early Settlement is applicable*), 2.5, 2.6, 2.7 (*if applicable; if not applicable do not replicate*), 2.9 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 3 and 4]

[Where Charged Asset Structure 5 is applicable replicate the following paragraphs from Charged Asset Structure 5 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 5 from paragraphs 1.3, 2.17 and 3.7:

1.1, 2.1 (*do not replicate if 2.2 is applicable*), 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7 (*if applicable; if not applicable do not replicate*), 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10 (*if applicable; if not applicable do not replicate*), 2.11, 2.12 (*if applicable; if not applicable do not replicate*), 2.13 (*if applicable; if not applicable do not replicate*), 2.14, 2.15 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 2.16 (*if applicable; if not applicable do not replicate*), 3.1, 3.2, 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 6 is applicable replicate the following paragraphs from Charged Asset Structure 6 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 6 from paragraphs 1.3, 2.13 and 3.7:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7, 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10, 2.11 (see Credit Support Structure [1,2.3.4] (*delete as applicable; delete if not applicable*), 2.12 (*if applicable; if not applicable do not replicate*), 3.1, 3.2, 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 7 is applicable replicate the following paragraphs from Charged Asset Structure 7 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 7 from paragraphs 2.9 and 3.15:

1.1, 2.1, 2.2, 2.3 (*if applicable; if not applicable do not*

replicate), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7, 2.8, 3.1, 3.2 (*if applicable; if not applicable do not replicate*), 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 3.7 (*if applicable; if not applicable do not replicate*), 3.8 (*replicate if Automatic Early Expiration is applicable*), 3.9 (*if applicable; if not applicable do not replicate*), 3.10, 3.11 (*if applicable; if not applicable do not replicate*), 3.12 (*if applicable; if not applicable do not replicate*), 3.13, 3.14 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 4 and 5]

[*Where Charged Asset Structure 8 is applicable replicate the following paragraphs from Charged Asset Structure 8 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 8 from paragraph 2.9:*

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*replicate if Interim Payment Amount is payable*), 2.4 (*replicate if Automatic Early Settlement is applicable*), 2.5, 2.6, 2.7 (*if applicable; if not applicable do not replicate*), 2.8, 3 and 4]

(ii) Amount of the Charged Assets: [*specify*]

(iii) Credit Support Structure: [[Credit Support Structure 1]/[Credit Support Structure 2]/[Credit Support Structure 3]/[Credit Support Structure 4] is applicable][Not applicable]

Complete applicable items below:

Credit Support Valuation Agent: [*specify]/delete if not applicable*].

Margin Delivery Date: [*specify]/delete if not applicable*].

Minimum Transfer Amount: [*specify]/delete if not applicable*].

Over Collateralisation Level:[*specify if other than 100%; otherwise delete*]

Repo Transaction Valuation Date: [*specify]/delete if not applicable*].

Support Percentage: [*specify]/delete if not applicable*].

Swap Agreement Valuation Date: [*specify]/delete if not applicable*].

		Value: [*specify if other than market value; otherwise delete*] Swap Counterparty Collateral: [*specify*]
(iv)	Loan to value ratio or level of collateralisation of the Charged Assets:	[*specify*]
(v)	Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets:	[Applicable / Not applicable] For the purposes of Charged Asset Structure [1][2][3][4][5][6][7][8]: [the counterparty to the Swap Agreement is [BNP Paribas][BNP Paribas Fortis SA/NV](the "**Swap Counterparty**").] [the counterparty to the Deposit Agreement is: [*specify*] (the "**Deposit Counterparty**").] [the counterparty to the Repurchase Agreement is [*specify*] (the "**Repo Counterparty**").] [the issuer of [*identify applicable Reference Securities*] (the "**Reference Securities**") is [*specify*] (the "**Reference Security Issuer**").] [*Where an obligor has securities already admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, insert the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted so far as the Issuer is aware and/or is able to ascertain from information published by the obligor(s)*]
(vi)	Any relationship that is material to the issue between the Issuer, guarantor (if applicable) and obligor under the Charged Assets:	[Applicable / Not applicable] [*If applicable, provide details of the principal terms of that relationship*] [*specify*[which is the [*insert capacity/capacities*] under the Warrants]
(vii)	Charged Assets comprising obligations that are not admitted to trading on a regulated or equivalent market:	[Applicable / Not applicable] [See paragraph entitled "*Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets* above]
(viii)	Charged Assets comprising obligations that are admitted to trading on a regulated or equivalent market:	[Applicable / Not applicable] [*If applicable, indicate the following:*

(a) *a description of the securities;*

(b) *a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market's regulatory authority;*

(c) *the frequency with which prices of the relevant securities are published*.]

(Complete in conjunction with relevant provisions above)

[See paragraph entitled "*Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets above* where the applicable Charged Asset Structure is specified.]

(ix)	Names, addresses and significant business activities of the originators of the Compartment Assets:	[Applicable / Not applicable] [*If applicable, provide details*]
(x)	Name, address and significant business activities of the Calculation Agent, together with a summary of the Calculation Agent's responsibilities, its relationship with the originator or the creator of the assets forming the Charged Assets:	[*specify*]
(xi)	Names and addresses and brief description of the banks with which the main accounts relating to the Series are held:	[*specify*]
(xii)	Information concerning the Charged Assets reproduced from a source published by a third party:	[Applicable / Not applicable] [*If applicable*: So far as the Issuer is aware and is able to ascertain from information published by [*specify*], no facts have been omitted which would render the reproduced information misleading.]
(xiii)	Legal jurisdiction by which the Charged Assets are governed:	[*insert jurisdiction*]

(xiv) Expiry or maturity date(s) of the Charged Assets: [*The Settlement Date/specify other*]

APPLICABLE CERTIFICATE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series (and/or Tranche, as the case may be) of Certificates issued under the Programme. Placeholders are included as an aid to review and the Final Terms relating to any Series of Certificates will be completed with such information from in accordance with the Terms and Conditions of the Certificates (to the extent applicable). References in the Base Prospectus (including in the applicable Terms and Conditions) to "the Securities" shall when replicated in these Final Terms be replaced with references to the Certificates.

[Date]

SecurAsset S.A.

acting through its Compartment [●]

Issue of [Number of Certificates] [Series/Tranche] [Title of Certificates] [Guaranteed by [BNP Paribas/Banca Nazionale del Lavoro S.p.A] on the terms set out herein] under the €20,000,000,000 Secured Note, Warrant and Certificate Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth under the heading "*Terms and Conditions of the Certificates*" in the Base Prospectus dated 27 November 2015 (the "**Base Prospectus**") which constitutes a base prospectus for the purposes of the Prospectus Directive and the Prospectus Act 2005][1]. This document constitutes the Final Terms of the Certificates described herein **[**for the purposes of article 5.4 of the Prospectus Directive and article 8.4 of the Prospectus Act 2005][2] and must be read in conjunction with the Base Prospectus ([which includes the provisions of [Annex 1] [and] [Annex 2 in the case of Index Linked Certificates,] [Annex 3 in the case of Share Linked Certificates,] [Annex 4 in the case of Debt Linked Certificates,] [Annex 5 in the case of Commodity Linked Certificates,] [Annex 6 in the case of Inflation Linked Certificates,] [Annex 7 in the case of Currency Linked Certificates,] [Annex 8 in the case of Fund Linked Certificates,] [Annex 9 in the case of Underlying Interest Rate Linked Certificates,] [Annex 10 in the case of Credit Linked Certificates] [Annex 11 in the case of ETI Linked Certificates)])[3] and any Supplement(s) to such Base Prospectus published prior to the Issue Date (as defined below) (the "**Supplements**")[4]; provided, however, that to the extent any such Supplement (i) is published after the date of these Final Terms and (ii) provides for any change to the Conditions as set out under the heading "*Terms and Conditions of the Certificates*" in the Base Prospectus, such change(s) shall have no effect with respect to the Conditions of the Certificates to which these Final Terms relate. Full information on the Issuer [, the Guarantor (if applicable)] and the offer of the Certificates is only available on the basis of the combination of these Final Terms, the Base Prospectus and any Supplement(s). Prior to acquiring an interest in the Certificates described herein, prospective investors should read and understand the information provided in the Base Prospectus and any Supplement(s). Copies of the Base Prospectus, any Supplement(s) and these Final Terms are available for inspection from the specified office of the Principal Warrant and Certificate Agent [and on the website of the Luxembourg Stock Exchange (www.bourse.lu)][6].

N.B. when using a post-1 July 2012 approved Base Prospectus to tap a previous issue under a previously approved Base Prospectus, the final terms in the post-1 July 2012 Base Prospectus may (and will if the previous issue was contemplated under a pre-1 July 2012 Base Prospectus) take a different form to the

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1 Delete in the case of any issue of Private Placement Certificates.

2 Delete in the case of any issue of Private Placement Certificates.

3 Delete as applicable.

4 Where applicable, include the date of any Supplements which have been published prior to the date of the Final Terms.

5 Delete in the case of any issue of Private Placement Certificates or amend as necessary in the case of any issue of Certificates which is non-exempt and which will not be listed on the Luxembourg Stock Exchange.

6 Delete in the case of any issue of Private Placement Certificates or amend as necessary in the case of any issue of Certificates which is non-exempt and which will not be listed on the Luxembourg Stock Exchange.

final terms used for the original issue being tapped. 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.

[The following alternative language applies in respect of issues of Certificates where the public offer period spans an update to the Base Prospectus. If relevant, the update of the 2016 Base Prospectus will contain a list of offers for which the provisions of the paragraph below apply. Investors will be informed of their withdrawal rights in respect of such offers by notice when the 2016 Base Prospectus is published.][7]

[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 27 November 2015 [and the Supplement to the Base Prospectus dated [●]] ([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 Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and (i) prior to the approval date, must be read in conjunction with the 2015 Base Prospectus, as supplemented, and (ii) on and after the approval date, must be read in conjunction with the 2016 Base Prospectus, save in respect of the Conditions which are extracted from the 2015 Base Prospectus, as supplemented. The 2015 Base Prospectus, as supplemented, constitutes, and the 2016 Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on SecurAsset (the "**Issuer**") and the offer of the Certificates is only available on the basis of the combination of these Final Terms and either (i) prior to the approval date, the 2015 Base Prospectus, as supplemented, or (ii) on or after the approval date, the 2015 Base Prospectus, as supplemented, and the 2016 Base Prospectus. [The 2015 Base Prospectus, as supplemented, and these Final Terms are available [on [*website*]], and the 2016 Base Prospectus will be available for viewing at [*address*] [and] [*website*] and copies may be obtained from [*address*].]]

[*Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

[*When adding any other Final Terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a Supplement to the Base Prospectus under article 16 of the Prospectus Directive and article 13 of the Prospectus Act 2005.]*

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

SPECIFIC PROVISIONS FOR EACH SERIES

SERIES NUMBER	NO. OF CERTIFICATES ISSUED	ISIN	COMMON CODE	ISSUE PRICE PER CERTIFICATE	[EXERCISE PRICE]	[EXERCISE DATES]	[RELEVANT JURISDICTION]	[SHARE AMOUNT/ DEBT SECURITY AMOUNT]
[●]	**[●]**	**[●]**	**[●]**	**[insert currency]**	**[insert currency]**	**[●] / [Not applicable]**	**[●]**	**[●]**

[7] Please note that if, for any reason, the 2016 Base Prospectus is not approved, the offer period for such issues must cease upon the expiry of the validity of the 2015 Base Prospectus.

[●][8] **[●]**

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1.	Trade Date:	[*specify*]
2.	[(i)] Issue Date [and [Interest]/[Premium Amount] Commencement Date][9]:	[*specify*]
	[(ii)] 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 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 to be appropriate] and acting in good faith and in a commercially reasonable manner.]]

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8 Complete paragraph 2(ii) if an Initial FX Date is applicable.

9 In the case of Certificates which bear interest.

[*Delete if not applicable*]

3. 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]

[The Certificates are fungible with an existing Series [*insert title of existing Series*], terms and conditions of which are governed by [the SecurAsset base prospectus dated 29 June 2012 (the "**2012 Base Prospectus**")][the supplement to the 2012 Base Prospectus dated 18 October 2012 (the "**October 2012 Supplement**")][the supplement to the 2012 Base Prospectus dated 18 June 2013 (the "**June 2013 Supplement**")][the SecurAsset base prospectus dated 27 November 2013 (the "**2013 Base Prospectus**")][and the supplement to the 2013 Base Prospectus dated 23 April 2014 (the "**April 2014 Supplement**")][the SecurAsset base prospectus dated 27 November 2014 (the "**2014 Base Prospectus**")][and the supplement to the 2014 Base Prospectus dated 26 June 2015 (the "**June 2015 Supplement**"). The Certificates [became][will become] fungible on [*insert date*].]

4. Type of Certificates: The Certificates are [Index Linked Certificates/Share Linked Certificates/Debt Linked Certificates/ETI Linked Certificates/Commodity Linked Certificates/Inflation Linked Certificates/Currency Linked Certificates/Fund Linked Certificates/Underlying Interest Rate Linked Certificates/Credit Linked Certificates/Hybrid Certificates].

[Exercise of Certificates applies to the Certificates. [Multiple Exercise *applies* to the Certificates.] The Exercise Date[s] is [are] [*specify*]] or, if [any] such day is not a Business Day, the immediately [preceding/succeeding] Business Day].]

[The Exercise Settlement Dates are [*specify*].]]

The provisions of Annex 1 [and] [the provisions of Annex 2 (Additional Terms and Conditions for Index Linked Securities) shall apply] [the provisions of Annex 3 (Additional Terms and Conditions for Share Linked Securities) shall apply.] [the provisions of Annex 4 (Additional Terms and Conditions for Debt Linked Securities) shall apply.] [the provisions of Annex 5 (Additional Terms and Conditions for Commodity Linked Securities) shall apply] [the provisions of Annex 6 (Additional Terms and Conditions for Inflation Linked Securities) shall apply.] [the provisions of Annex 7 (Additional terms and Conditions for Currency Linked Securities) shall apply.] [the provisions of Annex 8 (Additional Terms and Conditions for Fund Linked Securities) shall apply.] [the provisions of Annex 9 (Additional Terms and Conditions for Underlying Interest

			Rate Linked Securities) shall apply.] [the provisions of Annex 10 (Additional Terms and Conditions for Credit Linked Securities) shall apply.] [the provisions of Annex 11 (Additional Terms and Conditions for ETI Linked Securities) shall apply.]
5.	[(i)]	Guaranteed Certificates:	[Not Applicable][Applicable – General Guarantee][Applicable – Shortfall Guarantee (specify shortfall amount)][Applicable – BNL Guarantee (*in respect of Certificates with a notional amount of at least €100,000 only*)]
	[(ii)]	Guarantor:	[BNP Paribas][Banca Nationale del Lavoro S.p.A. (*BNL may only guarantee Warrants with an issue price of at least €100,000*)]
6.	Aggregate Notional Amount:		[*specify*] [An amount not greater than [*specify*] which will be notified to the Issuer by [*specify*] on or around [*specify*]]
	(i)	Series:	
	(ii)	Tranche:	[*specify*]
7.	Form of Certificates:		[Clearing System Global Certificate][Registered Certificate]
8.	Additional Business Centre(s):		The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Condition 12 [is/are] [*specify*].
9.	Financial Centre(s) (Condition 6(a)(ii)):		[*specify*]
10.	Redemption Date:		[*specify*]
11.	Settlement:		Settlement will be by way of [cash payment ("**Cash Settled Certificates**")] [and/or] [physical delivery ("**Physical Delivery Certificates**")]. [Condition to Final Payout Premium: [Applicable]/[Not applicable]
12.	Rounding Convention for Final Redemption Amount:		[Rounding Convention 1]/[Rounding Convention 2]/[Not applicable]
13.	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 Certificates. (*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 13*)
	(ii)	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 Redemption Date, and

		the provisions of Condition 6 will apply to the Securities/The Issuer will procure delivery of the Entitlement in respect of the Securities and the provisions of Condition 6 will not apply to the Securities.] [*Specify whether Certificateholders will be entitled to elect for settlement by way of cash payment or by way of physical delivery or a combination of these for the purposes of Condition (1(a)).*]
14.	Calculation Amount:	[*specify*]
15.	The order of priority of payments made by the Issuer:	[Swap Counterparty Priority][Pari Passu Ranking][Certificateholder Priority]

PROVISIONS RELATING TO REDEMPTION

16.	Final Redemption Amount[10]:	[Calculation Amount x 100%]
		[Calculation Amount x [*insert formula*]]
		[**SPS Fixed Percentage Securities:**
		[*Replicate formula from Payout Condition 1*]]
		[SPS Reverse Convertible Securities
		[SPS Reverse Convertible Securities:
		[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]
		[SPS Reverse Convertible Standard Securities:
		[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]
		[SPS Vanilla Products
		[Vanilla Call Securities:
		[Replicate formula, relevant value(s) and other related provisions from Payout Condition 1]]
		[Vanilla Call Spread Securities:
		[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]
		[Vanilla Put Securities:
		[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]
		[Vanilla Put Spread Securities:

[10] Refer to the contents page relating to Annex 1 (*Additional Terms and Conditions for Payouts*), which is on pages 610-614, for details of the location within the Payout Conditions of the terms and conditions that are applicable to the Securities given the Coupon/Premium Amount Rate, Payout or Entitlement Amount elections above.

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Digital Securities:

[*Replicate formula and other related provisions from Payout Condition 1*]]

[[Knock-in / Knock-out] Vanilla Call Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Asianing Products

[Asian Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Asian Spread Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Himalaya Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Auto-Callable Products

[Autocall Securities:

[Replicate formula, relevant value(s) and other related provisions from Payout Condition 1]]

[Autocall One Touch Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Autocall Standard Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[**Indexation Products**

[Certi Plus: Booster Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Bonus Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Leveraged Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Twin Win Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Super Sprinter Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Knock-in Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Certi Plus: Generic Knock-out Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Ratchet Securities:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Sum Securities:

[*Replicate formula and related provisions from Payout Condition 1*]]

[Option Max Securities:

[*Replicate formula and related provisions from Payout Condition 1*]]

[Stellar Securities:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]]

[Driver Securities:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]]

[Maximum Final Payout: [*specify*]/Not applicable]

[Minimum Final Payout: [*specify*]/Not applicable]

	FI Payouts	[FI FX Vanilla Securities: [*Replicate formula and related provisions from Payout Condition 2*]] [FI Digital Floor Securities: [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]] [FI Digital Cap Securities: [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]] [FI Digital Plus Securities: [*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]] [FI Inflation Securities: [*Replicate formula and related provisions from Payout Condition 2*]]
	Payout Switch:	[Applicable / Not applicable] [*If applicable replicate related provisions from Condition 8(p)*]
	Payout Switch Election:	[Applicable / Not applicable]
	Automatic Payout Switch:	[Applicable / Not applicable]
	Switched Payout:	[*specify*]
	Payout Switch Date:	[*specify*]
17.	Certificateholder Put Option:	[Applicable / Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Valuation Date:	[*specify*]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[NA x [*specify*] per cent.] [SPS Put Payout [*Replicate formula, relevant value(s) and related provisions for Payout Conditions*]]
	(iii) Notice period:	[*specify*]
	(iv) Optional Redemption Date:	[*specify*]
18.	Issuer Call Option:	[Applicable / Not applicable]

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

(i) Optional Redemption Valuation Date(s): [*specify*]

(ii) Optional Redemption Date(s): [*specify*]

(iii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [Calculation Amount x [*specify*] per cent.]

[SPS Call Payout

[*Replicate formula, relevant value(s) and related provisions for Payout Condition 1*]]

(iv) If redeemable in part:

(a) Minimum Redemption Amount: [*specify*]

(b) Maximum Redemption Amount: [*specify*]

(v) Notice period: [*specify*]

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

20. Entitlement: [Applicable/Not applicable/Physical Delivery Option [1/2/3]]

a) [The Entitlement Amount in relation to each Security is:

[Delivery of Worst-Performing Underlying applicable:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[Delivery of Best-Performing Underlying applicable:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

[Delivery of the Underlying applicable:

[*Replicate formula, relevant value(s) and related provisions from Payout Condition 1*]

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

(*N.B. Only applicable in relation to Physical Delivery*

Securities)

21.	Exchange Rate:	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 is [*insert rate of exchange, currencies, amounts of currencies, dates of when such rate is to be ascertained, time periods over which such rate is to be ascertained, any applicable percentages, reference rates and screen pages*]/[*specify*]/[Not applicable].
22.	Settlement Currency:	The settlement currency for the payment of [the Final Redemption Amount] (*in the case of Cash Settled Securities*)/[the Disruption Cash Settlement Price] (*in the case of Physical Delivery Securities*) is [*specify*].
23.	Specified Currency:	[*specify*]
24.	Syndication:	The Securities will be distributed on a [non-]syndicated basis. [*if syndicated, specify names of the Managers*]
25.	Minimum Trading Amount:	[*specify*]/[Not applicable]
26.	Registrar:	[BNP Paribas Securities Services, Luxembourg Branch]/[BNP PARIBAS Securities (Japan) Limited][*insert address*][Not applicable][11]
27.	Calculation Agent:	[BNP Paribas]/[BNP Paribas Arbitrage S.N.C.]/[*specify other*][*insert address*].
28.	Index Linked Certificates:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Index/Basket of Indices/Index Sponsor(s):	[*specify name of Index/Indices*] [*specify name of Index Sponsor(s)*] [The [●] Index is a [Composite Security]/[Multi-Exchange] Index.][12] [The [●] Index is a Custom Index][13]
	(ii) Index Currency:	[*specify*]
	(iii) Exchange(s):	[*specify*]
	(iv) Related Exchange(s):	[*specify*]/[All Exchanges]
	(v) Exchange Business Day:	[Single Index Basis/All Indices Basis/Per Index Basis]

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11 Include in the case of Registered Securities.

12 Specify each Composite Security Index and/or Multi-Exchange Index (if any).

13 Specify each Custom Index (if any).

(vi)	Scheduled Trading Day:	[Single Index Basis/All Indices Basis/Per Index Basis] (*must match election made for Exchange Business Day*)
(vii)	Weighting:	[The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [*specify*]. Each such Weighting shall be subject to adjustment in accordance with Index Linked Condition 6]/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Indices*)]
(viii)	Strike Date:	[*specify*]
(ix)	Settlement Price:	[Official opening level]/[Official closing level]/[level at the Valuation Time] [*specify*]
(x)	Specified Maximum Days of Disruption:	[[*specify*] Scheduled Trading Days]
(xi)	Valuation Time:	Scheduled Closing Time/Any time [on the relevant Settlement Price Date /during the Observation Period.**]** **[**The Valuation Time is **[***specify***]]** (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).
(xii)	Delayed Redemption on Occurrence of an Index Adjustment Event:	[Applicable / Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
(xiii)	Index Correction Period:	[As per Index Linked Condition 4/*specify*]
(xiv)	Additional provisions applicable to Custom Indices:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	Screen Page:	[*specify*]
(b)	Custom Index Business Day:	[All Custom Indices Basis/Per Custom Index Basis/Single Index Basis]
(c)	Scheduled Custom Index Business Day:	[All Custom Indices Basis/Per Custom Index Basis/Single Custom Index Basis] (*N.B. Must match election made for Custom Index Business Day*)
(d)	Custom Index Correction Period:	[As per Index Linked Condition 8]/[*specify*]
(e)	Delayed Redemption on Occurrence of a Custom Index Adjustment Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional

Amount]]

	(f)	Custom Index Disruption Event:	[[Specified Maximum Days of Disruption will be equal to: [●]]/[As per Index Linked Condition 8]] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*).
29.	Share Linked Certificates:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Share(s)/Share Company/Basket Company/GDR/ADR:	[*insert type of Share(s) and Share Company/Basket Companies*] [*Insert screen page*] [*Insert details of GDR/ADR*][14]
	(ii)	Relative Performance Basket:	[Not applicable/*specify*]
	(iii)	Share Currency:	[*specify*]
	(iv)	ISIN of Share(s):	[*specify*]
	(v)	Exchange(s):	[*specify*]
	(vi)	Related Exchange(s):	[*specify*]/[All Exchanges]
	(vii)	Exchange Business Day:	[ ]
	(viii)	Scheduled Trading Day:	[Single Share Basis/All Shares Basis/Per Share Basis] (*must match election made for Exchange Business Day*)
	(ix)	Weighting:	[Not applicable] [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 the case of Share Linked Certificates]/[*specify other*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Shares*)]
	(x)	Settlement Price:	[Official closing price]/[Italian Securities Reference Price]/[price at the Valuation Time]] [*specify*]
	(xi)	Specified Maximum Days of Disruption:	[[*specify*] Scheduled Trading Days].
	(xii)	Valuation Time:	Scheduled Closing Time/Any time [on the relevant Settlement Price Date /during the Observation Period.**]** **[**The Valuation Time is **[***specify***]]** (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).

[14] 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).

	(xiii)	Delayed Redemption on Occurrence of an Extraordinary Event:	[Not applicable/Applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
	(xiv)	Share Correction Period	[*specify*] [As per Share Linked Condition 6]
	(xv)	Listing Change:	[Applicable/Not applicable]
	(xvi)	Listing Suspension:	[Applicable/Not applicable]
	(xvii)	Illiquidity:	[Applicable/Not applicable]
	(xviii)	Tender Offer:	[Applicable/Not applicable]
30.	Debt Linked Certificates:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Debt Securities:	[*specify*][Not applicable]
	(ii)	Nominal Amount:	[The relevant nominal amount is [●] and the Relevant Screen Page is [●].][Not applicable]
	(iii)	Reference Price:	[The Reference Price[s] for [*specify relevant Debt Securities*] is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]
	(iv)	Exchange Business Day Centre(s):	[*specify*]
	(v)	Valuation Time:	[*specify*]
	(vi)	Specified Maximum Days of Disruption:	[As defined in Condition 5 of Annex 4 (*Additional Terms and Conditions for Debt Linked Securities*)]/[[*specify*] Scheduled Trading Days.][Not applicable]
	(vii)	Delayed Redemption on Occurrence of Debt Security Redemption Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
	(viii)	Debt Security Correction Period:	[As per the Conditions]/[ ]/[Not applicable]
	(ix)	Debt Security Issuer:	[ ]/[Not applicable]
	(x)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Securities to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
31.	ETI Linked Certificates:		[Applicable/Not applicable]

		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	ETI/ETI Basket:	[*specify*]
(ii)	ETI Interest(s):	[*insert type of ETI Interest(s)*]
(iii)	ETI Related Party:	[As per ETI Linked Condition 1]/[*specify*]
(iv)	ETI Documents:	[As per ETI Linked Condition 1]/[*specify*]
(v)	Exchange(s):	[*specify*]/[Not applicable]
(vi)	Related Exchange:	[*specify*]/[All Exchanges]/[Not applicable]
(vii)	Scheduled Trading Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
(viii)	Exchange Business Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
(ix)	Calculation Date(s):	[As per ETI Linked Condition 1]/[*specify*]
(x)	Initial Calculation Date:	[*specify*]/[Not applicable]
(xi)	Final Calculation Date:	[*specify*]/[Not applicable]
(xii)	Hedging Date:	[*specify*]
(xiii)	Investment/AUM Level:	[As per ETI Linked Condition 1]/[*specify*]
(xiv)	Value per ETI Interest Trading Price Barrier:	[As per ETI Linked Condition 1]/[*specify*]
(xv)	Number of Value Publication Days:	[[*specify*] calendar days] [[*specify*] 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)*]
(xvi)	Value Trigger Percentage:	[As per ETI Linked Condition 1]/[*specify*]
(xvii)	Value Trigger Period:	[As per ETI Linked Condition 1]/[*specify*]
(xviii)	Basket Trigger Level:	[As per ETI Linked Condition 1]/[*specify*]
(xix)	Settlement Price/Closing Price:	[Official closing price]/[Value per ETI Interest]
(xx)	Weighting:	The Weighting to be applied to each ETI Interest comprising the ETI Basket is [*specify*]
(xxi)	Valuation Time:	[*specify*]
(xxii)	Specified Maximum Days of Disruption:	[As per ETI Linked Condition 1]/[*specify*]
(xxiii)	Additional Extraordinary	[*specify*]

		ETI Event(s):	
	(xxiv)	Maximum Stock Loan Rate:	[The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [*specify*].]
	(xxv)	ETI Interest Correction Period:	[*specify*]
	(xxvi)	Spread :	[As per ETI Linked Condition 1]/[*specify*]
	(xxvii)	Termination Date:	[*specify*]
	(xxviii)	Delayed Redemption on Occurrence of an Extraordinary ETI Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
	(xxix)	Protected Amount :	[*specify*]
32.	Commodity Linked Certificates:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Commodity/Commodities/ Commodity Index/Commodity Indices:	[*specify Commodity/Commodities/Commodity Index/Commodity Indices*] [The Sponsor[s] of the Commodity [Index/Indices] [is/are] [*specify*]]
	(ii)	Pricing Date(s):	[*specify*]
	(iii)	Initial Pricing Date:	[*specify*]
	(iv)	Final Pricing Date:	[*specify*]
	(v)	Commodity Reference Price:	[*specify*] The Price Source is/are [*specify*][15]
	(vi)	Delivery Date:	[*specify*]/[Not applicable]
	(vii)	Nearby Month:	[*specify*]/[Not applicable]
	(viii)	Specified Price:	[*specify*]/[Not applicable]
	(ix)	Exchange:	[*specify*]/[Not applicable]
	(x)	Disruption Fallback(s):	[*specify*]/[As per Commodity Linked Condition 2]
	(xi)	Valuation Time:	[Continuous monitoring [*specify other*] and the relevant time on [*insert relevant date(s)*].]/[*specify*]
	(xii)	Specified Maximum Days of Disruption:	[*specify*] [[*specify*] Commodity Business Days][16]

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[15] Delete if using automated Commodity Reference Prices

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

	(xiii)	Weighting:	[Not applicable/[*specify*]. Each such Weighting shall be subject to adjustment in accordance with Commodity Linked Condition 3]
33.	Inflation Linked Certificates:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index/Indices/Index Sponsor:	[*specify name of inflation index/indices*] [*specify name of inflation index sponsor(s)*]
	(ii)	Related Bond:	[Applicable/Not applicable]
	(iii)	Issuer of Related Bond:	[Applicable/Not applicable] [*If applicable, specify*]
	(iv)	Fallback Bond:	[Applicable/Not applicable]
	(v)	Related Bond Redemption Event:	[Applicable/Not applicable] [*If applicable, specify*]
	(vi)	Substitute Inflation Index Level:	[As determined in accordance with Annex 6 [*specify*].
	(vii)	Cut-off Date:	In respect of a [Valuation Date], the day that is [*specify*] Business Days prior to such [Valuation Date].
	(viii)	Valuation Date:	[*specify*]
34.	Currency Linked Certificates:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Relevant Screen Page:	[*specify*]
	(ii)	The relevant base currency (the "Base Currency") is:	[*specify*]
	(iii)	The relevant subject [currency/currencies] ([the]/[each a] "Subject Currency") [is/are]:	[*specify*]
	(iv)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Currencies to ascertain the Settlement Price is [*specify*]]
	(v)	Price Source:	[*specify*]
	(vi)	Specified Maximum Days of Disruption:	[*specify*]/[five] Scheduled Trading Days
	(vii)	Strike Date:	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

	(viii)	Averaging Date(s):	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
	(ix)	Observation Dates:	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
	(x)	Settlement Price:	[*specify*]
	(xi)	Valuation Time:	[*specify*]
	(xii)	Redemption Valuation Date:	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
	(xiii)	Delayed Redemption on Occurrence of a Disruption Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
35.	Fund Linked Certificates:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Fund/Fund Basket:	[*specify*] [The [*specify*] Fund is a Mutual Fund] [The [*specify*] Fund is a Hedge Fund] [The [*specify*] Fund is a Private Equity Fund]
	(ii)	Fund Share(s):	[*specify*]
	(iii)	Fund Documents:	[As per Fund Linked Condition 1]/[*specify*]
	(iv)	Fund Business Day:	[All Fund Share Basis/Per Fund Share Basis/Single Fund Share Basis]
	(v)	Fund Service Provider:	[As per Fund Linked Condition 1]/[*specify*]
	(vi)	Calculation Date(s):	[As per Fund Linked Condition 1]/[*specify*]
	(vii)	Initial Calculation Date:	[As per Fund Linked Condition 1]/[*specify*]
	(viii)	Final Calculation Date:	[*specify*]
	(ix)	Hedging Date:	[*specify*]

	(x)	AUM Level:	[As per Fund Linked Condition 1]/[*specify*]
	(xi)	NAV Trigger Percentage:	[As per Fund Linked Condition 1]/[*specify*]
	(xii)	NAV Trigger Period:	[*specify*]
	(xiii)	Number of NAV Publication Days:	[As per Fund Linked Condition 1]/[*specify*]
	(xiv)	Basket Trigger Level:	[As per Fund Linked Condition 1]/[*specify*]
	(xv)	Termination Date:	[*specify*]
	(xvi)	Delayed Redemption on Occurrence of an Extraordinary Fund Event :	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
	(xvii)	Delayed Payment Cut-off Date:	[As per Fund Linked Condition 1]/[*specify*]
	(xviii)	[Weighting:	[Not applicable/[*specify*]. Each such Weighting shall be subject to adjustment in accordance with Fund Linked Condition 4]
	(xix)	Protected Amount :	[*specify*] per Security
36.	Underlying Interest Rate Linked Certificates:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate$_1$:" and "Underlying Interest Rate$_2$:" and repeat paragraphs 39(i) to (vii) below, as applicable*)
	(i)	Underlying Interest Determination Date(s):	[*specify*]
	(ii)	Manner in which the Underlying Interest Rate is to be determined:	[Screen Rate Determination/ISDA Determination]
	(iii)	Screen Rate Determination:	
		(a) Underlying Reference Rate:	[*specify*] *(Either LIBOR, EURIBOR or other)*
		(b) 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)*
		(c) Relevant Screen Page:	[*specify*]

(iv) ISDA Determination:

(a) Floating Rate Option: [*specify*]

(b) Designated Maturity: [*specify*]

(c) Reset Date: [*specify*]

(v) Underlying Margin(s): [+/-][●] per cent. per annum

(vi) Minimum Underlying Reference Rate: [●] per cent. per annum

(vii) Maximum Underlying Reference Rate: [●] per cent. per annum

37. Credit Linked Certificates: [Applicable – the Certificates are Credit Linked Certificates/Not applicable]

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

(i) Type of Security: [Single Reference Entity Credit Linked Certificate]

[Nth-to-Default Credit Linked Certificate

N: [*specify*]

Substitution: [Not applicable] [Applicable]]

[Linear Basket Credit Linked Certificate]

Substitution: [Not applicable][Applicable]

Zero Recovery: [Applicable][Not applicable]

2014 Definitions: [Applicable][Not applicable]

2003 Definitions (as supplemented by July 2009 Supplement): [Applicable][Not applicable]

No Prior Event Determination Date: [Not applicable][Applicable]

(ii) Transaction Type: [*specify*]

(iii) Redemption 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 Redemption Date**")

[Redemption Date Postponement: [Applicable as set out in Condition 8(h)/Not applicable] (*Where applicable,*

		specify relevant Postponement Business Days and Payment Delay Days)
(iv)	Scheduled Redemption Date:	[*specify*]
(v)	Reference Entity(ies):	[*specify*]
(vi)	Reference Entity Notional Amount:	[s*pecify*][As per Credit Linked Condition 10]
(vii)	Reference Obligation(s):	
	The obligation identified as follows:	[Applicable/Not applicable/[*specify*]]
	Primary Obligor:	[*specify*]
	Guarantor:	[*specify*]
	Maturity:	[*specify*]
	Coupon:	[*specify*]
	ISIN:	[*specify*]
	Original Issue Amount:	[*specify*]
		[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/[*specify*]]
(viii)	Settlement Method:	[Auction Settlement] [Physical Settlement] [Cash Settlement]
		[Unwind Costs: [Not applicable] [●]] [*Delete if Unwind Costs are applicable*] [No Charged Assets Loss is applicable]
(ix)	Fallback Settlement Method:	[Physical Settlement] [Cash Settlement]
(x)	Settlement Deferral:	[Applicable] [Not applicable]
(xi)	Settlement Currency:	[*specify*]
(xii)	Merger Event:	[Credit Linked Condition 2(c) [Applicable/Not applicable]]
		(*If Applicable*):

		[Merger Event Redemption Date: [●]]
(xiii)	LPN Reference Entities:	[Applicable/Not applicable/[*specify*]]
(xiv)	Terms relating to Cash Settlement:	[As per Credit Linked Condition 2] [Not applicable]
(xv)	Terms relating to Physical Settlement:	[As per Credit Linked Condition 4] [Not applicable]
(xvi)	Accrual of Interest upon Credit Event:	**[**As per Credit Linked Condition 3(a)(A)(i)] [As per Credit Linked Condition 3(a)(A)(ii)][As per Credit Linked Condition 3(b)][Continued Interest Accrual applicable]
(xvii)	Interest:	[*specify*] [No Interest Post Scheduled Redemption is applicable]
(xviii)	Additional Credit Linked Security Disruption Events:	[The following Additional Credit Linked Security Disruption Events apply to the Certificates:][Not applicable] (*Specify each of the following of 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 Linked Conditions]] [*Delete if CoCo Supplement is not applicable*]
(xx)	Credit Event Backstop Date:	[The date that is 60 calendar days prior to the Trade Date] [Issue Date] [s*pecify*]
(xxi)	Calculation and Settlement Suspension:	[Applicable] [Not applicable]
(xxii)	Seniority Level:	[Senior Level] [Subordinated Level] [●]
38.	Hybrid Certificates:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [*If applicable*: (i) The Certificates are linked to each of the types

of Underlying Reference (each a "**Type of Underlying Reference**") set out in the table below. The terms and conditions of the Certificates 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[, subject as provided in (ii) below].

[*Include each Type of Underlying Reference*]

Type of Underlying Reference

[●] [See item [●]]

[●] [See item [●]]

[●] [See item [●]]

(ii) Hybrid Business Day [Applicable/Not applicable]

[*if applicable*:

"**Hybrid Business Day**" means a day which is a Scheduled Trading Day (as defined in the relevant Annex and completed in the applicable Final Terms) for each Type of Underlying Reference specified in the applicable Final Terms.

[*If Hybrid Business Day is applicable, each date for valuation (e.g. valuation date, averaging date, observation date etc.) which is the subject of the Hybrid Certificates provisions should be expressed to be "[●] or if that is not a Hybrid Business Day the immediately [succeeding/preceding] Hybrid Business Day"*]]

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

40. Optional Additional Disruption Events: (i) 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 Linked Securities, Share Linked Securities, ETI Linked Securities and Commodity Linked Securities. Careful consideration should be given to whether Optional Additional Disruption Events would apply for Debt Linked Securities, Currency Linked Securities and Fund Linked 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 Linked Securities*)

[Cancellation Event]

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

(*N.B. Failure to Deliver due to Illiquidity is applicable to certain Share Linked Securities. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Securities*)

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

(*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 [*specify*].

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

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

[*if applicable*:

Protected Amount: [[*specify*] per cent. of the Notional Amount]]

41.	Knock-in Event[17]:		[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)	SPS Knock-in Valuation:	[Applicable/Not applicable] (*If applicable replicate relevant provisions from Payout Condition 1*) [*If SPS Knock-in Valuation is not applicable and the Securities are Currency Securities, specify if FX Knock-in Valuation is applicable.*] [*If FX Knock-in Valuation is applicable, replicate relevant provisions from Payout Condition 1.*] [FX Coupon Performance: [Applicable/Not applicable]] [Performance Value: [Applicable/Not applicable]]
	(ii)	Level:	[Official level]/[Official close]/[last price]/[traded price]/[bid price]/[asked price][Not applicable]
	(iii)	Knock-in [Price][Level]/Knock-in Range [Price][Level]:	[*specify*] [FX Knock-in Level] [*If FX Knock-in Level is specified replicate relevant provisions from Payout Condition 1*]
	(iv)	Knock-in Period Beginning Date:	[*specify*]
	(v)	Knock-in Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(vi)	Knock-in Determination Period:	[*specify*]/[See definition in Condition 8]
	(vii)	Knock-in Determination Day(s):	[*specify*]/[Each [Scheduled Trading Day/ Scheduled Custom Index Business Day/ Commodity Business Day/Fund Business Day/Business Day] in the Knock-in Determination Period]
	(viii)	Knock-in Period Ending Date:	[*specify*]
	(ix)	Knock-in Period Ending Date Day Convention:	[Applicable/Not applicable]

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

	(x)	Knock-in Valuation Time:	[*specify*]/[See definition in Condition 8]/[Valuation Time]/[Any time on a Knock-in Determination Day]/[Not applicable]
	(xi)	Knock-in Value:	[*specify*]
	(xii)	Knock-in Observation Price Source:	[*specify*]
42.	Knock-out Event[18]:		[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)	SPS Knock-out Valuation:	[Applicable/Not applicable] [*If applicable replicate relevant provisions from Payout Condition 1*] [*If SPS Knock-out Valuation is not applicable and the Securities are Currency Securities, specify if FX Knock-out Valuation is applicable.*] [*If FX Knock-out Valuation is applicable, replicate relevant provisions from Payout Condition 1.*] [FX Coupon Performance: [Applicable/Not applicable]] [Performance Value: [Applicable/Not applicable]]
	(ii)	Level:	[Official level]/[Official close]/[last price]/[trade price]/[bid price]/[asked price][Not applicable]
	(iii)	Knock-out [Price][Level] /Knock-out Range [Price][Level]:	[*specify*][FX Knock-out Level] [*If FX Knock-out Level is specified replicate relevant provisions from Payout Condition 1*]
	(iv)	Knock-out Period Beginning Date:	[*specify*]
	(v)	Knock-out Period Beginning Date Day Convention:	[Applicable/Not applicable]
	(vi)	Knock-out Determination Period:	[*specify*]/[See definition in Condition 8]
	(vii)	Knock-out Determination Day(s):	[*specify*]/[Each [Scheduled Trading Day/ Scheduled Custom Index Business Day/ Commodity Business Day/Fund Business Day/Business Day] in the Knock-out Determination Period]

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

(viii) Knock-out Period Ending Date: [*specify*]

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

(x) Knock-out Valuation Time: [*specify*]/[See definition in Condition 8] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]

(xi) Knock-out Value: [*specify*]

(xii) Knock-out Observation Price Source: [*specify*]

43. Notional Amount of each Certificate: [[*currency*][*amount*]/[Not applicable]].

PROVISIONS RELATING TO INTEREST AND PREMIUM AMOUNTS (IF ANY) APPLICABLE

44. Interest/Premium Amounts: [Applicable/Not applicable]

Condition to Interest Payment: [Applicable as set out in Condition 4(i)/Not applicable]

[Coupon Switch: [Applicable / Not applicable]

[If applicable:

[Coupon Switch Election: Applicable]/[Automatic Coupon Switch: Applicable [*insert relevant provisions from Condition 1 of the Payout Conditions*]]

Pre-Switch Coupon: [Fixed Rate]/[Floating Rate]/[Linked Interest]: [SPS Fixed Coupon]/[SPS Variable Amount Coupon]/[Digital Coupon]/[Snowball Digital Coupon]/[Accrual Digital Coupon]/[Stellar Coupon]/[Cappuccino Coupon]/[Ratchet Coupon]/[Driver Coupon]/[Nova Coupon]/[Sum Coupon]/[Option Max Coupon]/[FX Vanilla Coupon]/[FX Digital Coupon]/[FX Range Accrual Coupon]/[FX Memory Coupon]/[FI Digital Coupon]/[Range Accrual Coupon]/[Combination Floater]/[PRDC Coupon]/[FI Digital Floor Coupon]/[FI Digital Cap Coupon]/[FI Target Coupon] (see items [*specify*] below]

Post-Switch Coupon: [Fixed Rate]/[Floating Rate]/[Linked Interest]: [SPS Fixed Coupon]/[SPS Variable Amount Coupon]/[Digital Coupon]/[Snowball Digital Coupon]/[Accrual Digital Coupon]/[Stellar Coupon]/[Cappuccino Coupon]/[Ratchet Coupon]/[Driver Coupon]/[Nova Coupon]/[Sum Coupon]/[Option Max Coupon]/[FX Vanilla Coupon]/[FX Digital Coupon]/[FX Range Accrual

		Coupon]/[FX Memory Coupon]/[FI Digital Coupon]/[Range Accrual Coupon]/[Combination Floater]/[PRDC Coupon]/[FI Digital Floor Coupon]/[FI Digital Cap Coupon]/[FI Target Coupon] Additional Switch Coupon: [Applicable/Not applicable] [*If applicable:* Additional Switch Coupon Amount: [*specify*] [Calculation Amount × [●]%]] [Where a Coupon Switch occurs [in][on] is payable [in][on] [*specify*], [Calculation Amount × [●]%]] (*Repeat as necessary*) Additional Switch Coupon Payment Date: [*Specify*] Coupon Switch Date[s]: [*Specify*]]
(i)	Interest Period(s):	[*specify*]
(ii)	Interest Period End Date(s):	[*specify*]
(iii)	Specified Period:	[*specify*]
(iv)	Business Day Convention for Interest Period End Date(s):	[Following/Modified Following/Preceding/FRN/None/ Not applicable]
(v)	Interest Payment Date(s):	[*specify*]
(vi)	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*)
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[*specify*]
(viii)	Margin(s):	[[+/-][*specify*] per cent. per annum/Not applicable]
(ix)	Minimum Interest Rate:	[[*specify*] per cent. per annum/Not applicable]
(x)	Maximum Interest Rate:	[[*specify*] per cent. per annum/Not applicable]
(xi)	Rate Multiplier:	[*specify*][Not applicable]
(xii)	Day Count Fraction:	[*specify*]/[unadjusted]
(xiii)	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.*] (*N.B. only relevant*

where Day Count Fraction is Actual/Actual (ICMA))

(xiv) 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 Linked Certificates where Accrual to Redemption is Not Applicable*]]

(xv) [Rate of Interest/ Premium Amount Rate]:

(*Include one or more of the following if applicable*[19]:)

[Fixed Rate]

[Floating Rate]

[Linked [Interest / Premium Amount]]:

[SPS Fixed Coupon

[*Replicate formula from Payout Condition 1.*]

[SPS Variable Amount Coupon

[*Replicate formula from Payout Condition 1.*]]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Snowball Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1.*]

[Vanilla Call Rate

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[19] Refer to the contents page relating to Annex 1 (*Additional Terms and Conditions for Payouts*), which is on pages 605-609, for details of the location within the Payout Conditions of the terms and conditions that are applicable to the Securities given the Coupon/Premium Amount Rate, Payout or Entitlement Amount elections above.

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Accrual Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*.]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Stellar Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*.]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Cappuccino Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*.]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Ratchet Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*.]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Driver Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*.]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Nova Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*.]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Sum Coupon applicable:

[*Replicate formula and other related provisions from Payout Condition 1*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Option Max Coupon applicable:

[*Replicate formula and other related provisions from Payout Condition 1*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FX Vanilla Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FI Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FX Digital Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Range Accrual Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FX Range Accrual Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FX Memory Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2*]

[Rate: [Fixed Rate]

[Floating Rate]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[Combination Floater applicable:

[*Replicate formula and other related provisions from Payout Condition 2.*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[PRDC Coupon applicable:

[*Replicate formula and other related provisions from Payout Condition 2.*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FI Digital Floor Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2.*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FI Digital Cap Coupon applicable:

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 2.*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

[FI Target Coupon applicable

[*Replicate formula from Payout Condition 2*]

[Vanilla Call Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]

[Vanilla Call Spread Rate

[*Replicate formula, relevant value(s) and other related provisions from Payout Condition 1*]]]

(xvi) Fixed Rate Provisions: [Applicable – the Certificates are Fixed Rate Certificates/Not applicable]

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

[*Specify if more than one fixed rate is to be determined, repeat items (a) to (b) below for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B*]

(a) Fixed Rate[(s)] of Interest ([including/ excluding] on overdue amounts after Redemption Date or date set for early redemption): [*specify*] per cent. [per annum].

(b) Fixed Coupon Amount[(s)]: [[*specify*] per Certificate [Not applicable]]

(xvii) Floating Rate Provisions [Applicable – the Certificates are Floating Rate Certificates/Not applicable]

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

[*Specify if more than one floating rate is to be determined, repeat items (a) to (e) below for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B*]

(a) Manner in which Rate of Interest and Interest Amount to be determined: [Screen Rate Determination/ISDA Determination/FBF Determination]

(b) 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*)]
	(c)	Screen Rate Determination:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
		(A) Reference Rate:	[LIBOR/EURIBOR/*specify*] (*The Reference Rate must be LIBOR or EURIBOR*)
		(B) [Interest]/ [Premium Amount] 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*)
		(E) Reference Banks:	[As per Condition 4][*specify*]
	(d)	ISDA Determination:	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
		(F) Floating Rate Option:	[*specify*]
		(G) Designated Maturity:	[*specify*]
	(e)	FBF Determination:	[Applicable/Not applicable] [*If applicable*: [*specify relevant terms*]]
(xviii)	Linked Interest Certificates		[Applicable – see [Index/Share/ETI/Debt/Commodity/ Inflation Index/Currency/Fund] Linked Interest Certificates below/Not applicable]
(xix)	Payment of Premium Amount(s):		[Applicable/Not applicable]
	(a)	Premium Amount(s):	[*specify*]

	(b)	Linked Premium Amount Certificates:	[Applicable - see [Index/Share/ETI/Debt/Commodity/ Inflation Index/Currency/Fund] Linked Premium Amount Certificates below/Not applicable]
	(c)	Variable Premium Amount Certificates:	[Applicable – see paragraphs [(xvii)][(c)]/[(d)] above]/[Not applicable]
		Day Count Fraction	[*specify*]/[unadjusted]
	(d)	Premium Amount Payment Date(s):	[*specify*]
	(e)	Premium Amount Record Date(s):	[*specify*]
(xx)		Record Date(s):	[*specify*][Not applicable]
(xxi)		Index Linked [Interest/Premium Amount] Certificates:	[Applicable – the Certificates are Index Linked Interest Certificates/ Applicable – the Certificates are Index Linked Premium Amount Certificates/ Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Index/Basket of Indices/Index Sponsor(s):	[*specify name of Index/Indices*] [*specify name of Index Sponsor(s)*] [The [*specify*] Index is a [Component Security Index]/[Multi-Exchange Index][20] [The [*specify*] Index is a Custom Index][21]
	(b)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [*specify*].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement]] will apply.]
	(c)	[Interest/Premium Amount] Valuation Time:	[*specify*]
	(d)	[Interest/Premium Amount] Valuation Date(s):	[*specify*]
	(e)	Index Correction Period	[As per Index Linked Condition 4] [*specify*]
	(f)	Observation Dates:	[*specify*]

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

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

			[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
(g)	Observation Period:		[*specify*]
(h)	Specified Maximum Days of Disruption:		[*specify*] [Scheduled Trading Days]]
(i)	Exchange(s):		[*specify*]
(j)	Related Exchange(s):		[*specify*]/[All Exchanges]
(k)	Exchange Business Day:		[Single Index Basis/All Indices Basis/Per Index Basis]
(l)	Scheduled Trading Day:		[Single Index Basis/All Indices Basis/Per Index Basis] (*must match election made for Exchange Business Day*)
(m)	Settlement Price:		[Official opening level]/[Official closing level]/[level at the Valuation Time]
(n)	Weighting:		[The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [*specify*]. Each such Weighting shall be subject to adjustment in the case of Index Linked Certificates/[*specify*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Indices*)/Not applicable]
(o)	Additional provisions applicable to Custom Indices:		[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(A)	Screen Page:	[*specify*]
	(B)	Strike Date:	[*specify*]
	(C)	Strike Price:	[*specify*] [*insert calculation method*]
	(D)	Custom Index Business Day:	[(All Indices Basis)/(Per Index Basis)(Single Index Basis)]
	(E)	Scheduled Custom Index Business Day:	[(All Indices Basis)/(Per Index Basis)(Single Index Basis)] (*must match election made for Custom Index Business Day*)
	(F)	Valuation Time:	[*specify*]**]**
	(G)	Custom Index Correction Period:	As per Index Linked Condition 8 [*specify*]
	(H)	Delayed Redemption on	[Applicable/Not applicable]

		Occurrence of Custom Index Adjustment Event:	[*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
	(I)	Custom Index Disruption Event:	[[Specified Maximum Days of Disruption will be equal to: [*specify*]]/[As per Index Linked Condition 6]] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*)
(xxii)	Share Linked [Interest/Premium Amount] Certificates:		[Applicable – the Certificates are Share Linked Interest Certificates/ Applicable – the Certificates are Share Linked Premium Amount Certificates/ Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Share(s)/Share Company/Basket Company/GDR/ADR:	[*insert type of Share(s) and Share Company/Basket Companies*] [*insert ISIN*][*insert Screen Page*][*insert Exchange Code*] [*insert GDR/ADR*][22]
	(b)	Relative Basket Performance:	[Not applicable/*specify*]
	(c)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [*specify*].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
	(d)	[Interest/Premium Amount] Valuation Time:	[*specify*]
	(e)	[Interest/Premium Amount]Valuation Date(s):	[*specify*]
	(f)	Observation Dates:	[*specify*] [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
	(g)	Observation Period:	[*specify*]
	(h)	Specified Maximum Days of Disruption:	[*specify*] [Scheduled Trading Days]]

[22] 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).

	(i)	Exchange(s):	[*specify*]
	(j)	Related Exchange(s):	[*specify*]/[All Exchanges]
	(k)	Exchange Business Day:	[Single Share Basis/All Shares Basis/Per Share Basis]
	(l)	Scheduled Trading Day:	[Single Share Basis/All Shares Basis/Per Share Basis] (*must match election made for Exchange Business Day*)
	(m)	Settlement Price:	[Official closing price]/[Italian Securities Reference Price]/[price at the Valuation Time]
	(n)	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 the case of Share Linked Certificates/[*specify*]. (*N.B. Only applicable in relation to Securities relating to a Basket of Shares*)]
(xxiii)	Debt Linked [Interest/Premium Amount] Certificates:		[Applicable – the Certificates are Debt Linked Interest Certificates/ Applicable – the Certificates are Debt Linked Premium Amount Certificates/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Debt Security:	[*specify*]
	(b)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [*specify*].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
	(c)	[Interest/Premium Amount] Valuation Time:	[*specify*]
	(d)	[Interest/Premium Amount] Valuation Date:	[*specify*]
	(e)	Observation Dates:	[*specify*] [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
	(f)	Observation Period:	[*specify*]
	(g)	Settlement Price:	[*specify*]
	(h)	Specified Maximum Days of Disruption:	[[*specify*] Scheduled Trading Days]

	(i)	Exchange Business Day Centre(s):	[*specify*]
	(j)	Nominal Amount:	[The relevant nominal amount is [●] and the Relevant Screen Page is [●].][Not applicable]
	(k)	Reference Price:	[The Reference Price[s] for [*specify relevant Debt Securities*] is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]
	(l)	Delayed Redemption on Occurrence of Debt Security Redemption Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
	(m)	Debt Security Correction Period:	[As per the Conditions]/[ ]/[Not applicable]
	(n)	Debt Security Issuer:	[ ]/[Not applicable]
	(o)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Securities to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
(xxiv)	Commodity Linked [Interest/Premium Amount] Certificates:		[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 [●]]
	(b)	[Interest/Premium Amount] Pricing Date(s):	[*specify*]
	(c)	Initial [Interest/Premium Amount] Pricing Date:	[*specify*]
	(d)	Final [Interest/Premium Amount] Pricing Date:	[*specify*]
	(e)	Commodity Reference Price:	[*specify*] The Price Source is/are [●][23]
	(f)	Delivery Date:	[*specify*]/[Not applicable]
	(g)	Nearby Month:	[*specify*]/[Not applicable]

[23] Delete if using automated Commodity Reference Prices.

	(h)	Specified Price:	[*specify*]/[Not applicable]
	(i)	Exchange:	[*specify*]/[Not applicable]
	(j)	Disruption Fallback(s):	[As defined in Commodity Linked Condition 5]/[*specify*]
	(k)	[Interest/Premium Amount]Valuation Time:	[*specify*]
	(l)	Specified Maximum Days of Disruption:	[As defined in Commodity Linked Condition 5]/[*specify*][24]
	(m)	Weighting:	The Weighting to be applied to each item comprising the Commodity Basket is [*specify*]
(xxv)	ETI Linked [Interest/Premium Amount] Certificates:		[Applicable – the Certificates are ETI Linked Interest Certificates/ Applicable – the Certificates are ETI Linked Premium Amount Certificates/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	ETI/ETI Basket:	[*specify*]
	(b)	ETI Interest(s):	[*Insert type of ETI Interest(s)]*
	(c)	Averaging:	Averaging [applies/does not apply]. [The Averaging Dates are [*specify*].]
	(d)	Exchange(s):	[*specify*]/[Not applicable]
	(e)	Related Exchange:	[*specify*]/[All Exchanges]/[Not applicable]
	(f)	Exchange Business Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
	(g)	Scheduled Trading Day:	[All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
	(h)	ETI Related Party:	[As per ETI Linked Condition 1]/[*specify*]
	(i)	Calculation Date(s):	[As per ETI Linked Condition 1]/[*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 ETI Linked Condition 1][*specify*]

[24] Only applicable in respect of Commodity Certificates linked to a single Commodity.

(n)	Value per ETI Interest Trading Price Barrier:	[As per ETI Linked Condition 1]/[*specify*]
(o)	Number of Value Publication Days:	[[*specify*] calendar days] [[*specify*] 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)*]
(p)	Value Trigger Percentage:	[As per ETI Linked Condition 1]/[*specify*]
(q)	Value Trigger Period:	[As per ETI Linked Condition 1]/[*specify*]
(r)	Basket Trigger Level:	[As per ETI Linked Condition 1]/[*specify*]
(s)	Settlement Price/Closing Price:	[Official closing price]/[Value per ETI Interest]
(t)	Valuation Time:	[*specify*]
(u)	Specified Maximum Days of Disruption:	[As per ETI Linked Condition 1]/[*specify*]
(v)	[Interest/ Premium Amount] Valuation Time:	[*specify*]
(w)	[Interest/ Premium Amount] Valuation Date:	[*specify*]
(x)	Maximum Stock Loan Rate:	[The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [*specify*].]
(y)	ETI Interest Correction Period:	[*specify*]
(z)	Termination Date:	[*specify*]
(aa)	Weighting:	The Weighting to be applied to each ETI Interest comprising the ETI Basket is [*specify*]
(bb)	ETI Documents:	[As per ETI Linked Condition 1][*specify*]
(cc)	Delayed Redemption on Occurrence of an Extraordinary ETI Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
(xxvi)	Inflation Linked [Interest/Premium Amount] Certificates:	[Applicable – the Certificates are Inflation Linked Interest Certificates/ Applicable – the Certificates are Inflation Linked Premium Amount Certificates//Not applicable]

		(If more than one Inflation Rate is to be determined, repeat items (i) to (ix) below 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)
(a)	Inflation Index/Sponsor:	[*specify name of inflation index/indices*] [*specify name of inflation index sponsor(s)*]
(b)	Formula:	[*specify*]
(c)	Related Bond:	[Applicable/Not applicable] [*if applicable, specify*]
(d)	Issuer of Related Bond:	[Applicable/Not applicable]
(e)	Fallback Bond:	[Applicable/Not applicable]
(f)	Related Bond Redemption Event:	[Applicable/Not applicable] [*if applicable, specify*]
(g)	Substitute Inflation Index Level:	[As determined in accordance with Annex 6] [*specify*]
(h)	Cut-off Date:	In respect of a [Valuation Date], the day that is [*specify*] Business Days prior to such [Valuation Date].
(i)	[Interest/Premium Amount] Valuation Date:	[*specify*]
(j)	Valuation Time:	[*specify*]
(k)	Valuation Date:	[*specify*]
(xxvii)	Currency Linked [Interest/Premium Amount] Certificates:	[Applicable – the Certificates are Currency Linked Interest Certificates/ Applicable – the Certificates are Currency Linked Premium Amount Certificates/ Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	The relevant base currency (the "Base Currency") is:	[*specify*]
(b)	The relevant subject [currency/currencies] ([the]/[each a] "Subject Currency") [is/are]:	[*specify*]
(c)	Weighting:	[Not applicable/The weighting to be applied to each item comprising the Basket of Currencies to ascertain the Settlement Price is [specify]]

(d)	Price Source:	[*specify*]
(e)	Specified Maximum Days of Disruption:	[*specify*]/[five] Scheduled Trading Days
(f)	Averaging Date(s):	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
(g)	Observation Date(s):	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
(h)	Strike Date:	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
(i)	Settlement Price:	[*specify*]
(j)	Relevant Screen Page:	[*specify*]
(k)	Valuation Time:	[*specify*]
(l)	[Interest/Premium Amount] Valuation Date:	[*specify*] [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
(xxviii)	Fund Linked [Interest/Premium Amount] Certificates:	[Applicable – the Certificates are Fund Linked Interest Certificates/ Applicable – the Certificates are Fund Linked Premium Amount Certificates/ Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	Fund/Fund Basket:	[*specify*] [The [*specify*] Fund is a Mutual Fund] The [*specify*] Fund is a Hedge Fund] [The [*specify*] Fund is a Private Equity Fund]
(b)	Fund Share(s):	[*specify*]
(c)	Fund Documents:	[As per Fund Linked Condition 1][*specify*]
(d)	Fund Business Day:	[All Fund share Basis] [Per Fund share Basis][Single Fund share Basis]
(e)	Fund Service Provider:	[As per Fund Linked Condition 1]/[*specify*]

(f)	[Interest/Premium Amount] Valuation Date:	[*specify*]
(g)	Calculation Date(s):	[As per Fund Linked Condition 1]/[*specify*]
(h)	Initial Calculation Date:	[As per Fund Linked Condition 1]/[*specify*]
(i)	Final Calculation Date:	[*specify*]
(j)	Hedging Date:	[*specify*]
(k)	AUM Level:	[As per Fund Linked Condition 1]/[*specify*]
(l)	NAV Trigger Percentage:	[As per Fund Linked Condition 1]/[*specify*]
(m)	NAV Trigger Period:	[*specify*]
(n)	Number of NAV Publication Days:	[As per Fund Linked Condition 1]/[*specify*]
(o)	Basket Trigger Level:	[As per Fund Linked Condition 1]/[*specify*]
(p)	Termination Date:	[*specify*]
(q)	Weighting:	[Not applicable/[specify]. Each such Weighting shall be subject to adjustment in accordance with Fund Linked Condition 4]
(r)	Delayed Redemption on Occurrence of an Extraordinary Fund Event:	[Applicable/Not applicable] [*if applicable*: Protected Amount: [[*specify*] per cent. of the Notional Amount]]
(s)	Delayed Payment Cut-off Date:	[As per Fund Linked Condition 1]/[*specify*]
(xxix)	Underlying Interest Rate Linked Interest Certificates:	[Applicable – the Certificates are Underlying Interest Rate Linked Interest Certificates/ Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*if applicable, identify each Underlying Interest Rate$_{(i)}$ which is a Multiple Underlying Component Rate*)
(a)	Underlying Interest Determination Date(s): (*If more than one [Underlying Interest Rate] is to be determined, include the*	[*specify*]

		following language: "Underlying Interest Rate$_1$:")	
	(b)	Manner in which the Underlying Interest Rate is to be determined:	[Screen Rate Determination/ISDA Determination]
	(c)	Screen Rate Determination:	
		Underlying Reference Rate:	[*specify*](*Either LIBOR, EURIBOR or other*)
		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*)
		Relevant Screen Page:	[*specify*]
	(d)	ISDA Determination	
		Floating Rate Option:	[*specify*]
		Designated Maturity:	[*specify*]
		Reset Date:	[*specify*]
	(e)	Underlying Margin(s):	[+/-][●] per cent. per annum
	(f)	Minimum Underlying Reference Rate:	[●] per cent. per annum
	(g)	Maximum Underlying Reference Rate:	[●] per cent. per annum (*If more than one [Underlying Interest Rate] is to be determined, include the following language: "Underlying Interest Rate$_2$:" and repeat items (b) to (g).* *Repeat for each Underlying Interest Rate*.)
45.	**Other provisions relating to Certificates**:		[Applicable]/[Not applicable}
	(i)	[Additional Business Centre(s)] (Condition 4(b)):	[specify]
	(ii)	Financial Centre(s): (Condition 6(a)(ii)):	[*specify*]
	(iii)	Rounding:	[As per Condition 4(l)] [*specify*]
	(iv)	[Instalment Certificates:]	The Certificates [are/are not] Instalment Certificates.
		(a) Instalment Amount(s)	[*specify*]
		(b) Instalment Date(s):	[*specify*]
		(c) [Automatic Early	[Applicable/Not applicable]

Redemption[25]:]

(d)	Automatic Early Redemption Event:	[Target Automatic Early Redemption] [FI Underlying Automatic Early Redemption] [FI Coupon Automatic Early Redemption] [Single] [Standard Automatic Early Redemption: [– Automatic Early Redemption Event 1]: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [Standard Automatic Early Redemption – Automatic Early Redemption Event 2 Applicable: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [Automatic Early Redemption Event 1 [and]/[or] Automatic Early Redemption Event 2] [*insert related provisions from Payout Condition 1*] [AER Knock-out Event]: [Knock-out Event] [Knock-in Event] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(e)	Automatic Early Redemption Payout:	[SPS Automatic Early Redemption Payout: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 1]* [Target Automatic Early Redemption: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*] [FI Underlying Automatic Early Redemption: Accrual to Automatic Early Redemption: [Applicable/Not applicable] [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*] [FI Coupon Automatic Early Redemption: [*Replicate formula, relevant value(s) and related provisions from Payout Condition 2*]
(f)	Automatic Early Redemption Period:	[*specify*]
(g)	Automatic Early Redemption Date(s):	[*specify*]
(h)	Observation Price Source:	[*specify*]

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[25] Only applicable in relation to Index Linked Certificates, Share Linked Certificates, ETI Linked Certificates, Commodity Linked Certificates, Debt Linked Certificates and Currency Linked Certificates and, in the cawe of FI Underlying Automatic Early Redemption, Currency Linked Certificates and Underlying Interest Rate Linked Certificates.

(i)	Underlying Reference Level [1]:	[Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Underlying Reference Level] SPS AER Valuation: [Applicable/Not applicable] [*If applicable replicate formula, relevant value(s) and related provisions from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10*]
(j)	[Underlying Reference Level 2:	[Standard Underlying Reference Level]/[Not applicable]]
(k)	[SPS AER Valuation:	[Not applicable]/[Applicable]: [SPS AER Value [1]: [*insert relevant value(s) and related provisions from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10*] [SPS AER Value 2: [*insert relevant value(s) and related provisions from Payout Conditions*]]]
(l)	[(a)] Automatic Early Redemption Level [1]:	[*specify*]
	[(b) Automatic Early Redemption Level 2:	[*specify*]]
(m)	Automatic Early Redemption Percentage:	[[*specify*] per cent.]/[Not applicable]
(n)	SPS AER Value:	[*specify for the purposes of Condition 8*]
(o)	AER Rate	[*specify*][Not applicable]
(p)	AER Exit Rate:	[Not applicable] [AER Rate] [*Replicate formula, relevant value(s) and related provisions from Payout Conditions*] [AER Athena up Rate] [*Replicate formula, relevant value(s) and related provisions from Payout Conditions*] [AER CSN Rate] [*Replicate formula, relevant value(s) and related*

provisions from Payout Conditions]

(q)	Automatic Early Redemption Valuation Date(s)/Period(s):	[*specify*] [AER Knock-out Date] [AER 1 Redemption Valuation [Date(s)/Period(s)] [*specify*] [AER 2 Redemption Valuation [Date(s)/Period(s)] [*specify*] [*For Fixed Income payouts, consider whether this is the interest determination date (i.e. 2 business days prior to the Automatic Early Redemption Date)*]
(r)	Automatic Early Redemption Valuation Time:	[*specify*]
(s)	[AER Event 1 Underlying[s]:	[See item [●] below]/[Not applicable]]
(t)	[AER Event 2 Underlying[s]:	[See item [●] below]/[Not applicable]]
(u)	[AER Event 1 Basket:	[Applicable]/[Not applicable]]
(v)	[AER Event 2 Basket:	[Applicable]/[Not applicable]]

(v)	[Renouncement Notice Cut-off Time]:	[10.00 a.m. (Milan time)/5.00 p.m. (Milan time)][26]/[Not applicable]]
(vi)	Strike Date:	[*specify*]/[Not applicable]/[see item [*specify*] above]
(vii)	Strike Day:	[*specify*]
(viii)	Strike Period:	[*specify*]
(ix)	Strike Price:	[*specify*] / [see item [*specify*] above] / [Not applicable]
(x)	Redemption Valuation Date:	[*specify*] (*N.B. Where Automatic Exercise applies the Certificates are Share Linked Securities and the Shares are traded on the Italian regulated market organised and managed by Borsa Italiana insert "the [Scheduled Trading Day] immediately preceding the Exercise Date"*)/[Not applicable]
(xi)	Averaging:	[Averaging [applies/does not apply] to the Certificates. [The Averaging Dates are [*specify*].] (*Not applicable to Inflation Linked Certificates*) [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (*N.B. Not applicable to Index Linked Securities relating to a Custom Index or Commodity Linked Securities)*]

[26] 10.00 a.m. (Milan time) where the Underlying are Shares listed in Italy or indices managed by Borsa Italiana, or otherwise choose 5.00 p.m.

(xii)	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 Linked Securities relating to a Custom Index or Commodity Linked Securities*)
(xiii)	Observation Period:	[*specify*]/[Not applicable] (*Not applicable to Inflation Linked Securities*)
(xiv)	Settlement Business Day:	"**Settlement Business Day**" for the purposes of Condition 6 means [*specify*]. (*N.B. Only applicable in the case of Physical Delivery Securities*)
(xv)	Cut-off Date:	[*specify*]/[Not applicable] (*N.B. Only applicable in the case of Physical Delivery Securities*)
(xvi)	Interest Rate(i-1):	**[**[*specify*] per cent. per annum / Not applicable**]**

46. Early Redemption: **[**Applicable**][**Not applicable**]**

(i)	Early Redemption Amount:	[Cash Settlement Amount] [*specify*] [Calculation Amount x [*specify*] per cent.] [Liquidation Proceeds] [Liquidation Proceeds Cap: not applicable] [Liquidation Proceeds/Fair Market Value] [*Specify if different Early Redemption Amounts apply to different Early Redemption Events*]
(ii)	Swap Counterparty optional termination - Call option (Condition 8(f) and Condition 9(h)(i)):	**[**Applicable**][**Not applicable**]** (*If applicable, specify dates on which the Swap Counterparty may opt to terminate the Swap Agreement and on what notice to the Issuer*)
(iii)	Swap Counterparty optional termination - Repurchase (Condition 9(h)(ii)):	**[**Applicable**][**Not applicable**]**
(iv)	Early Redemption Events:	
(a)	Asset Payment Default Event:	**[**Applicable**][**Not applicable**]**
(b)	Asset Default Event:	**[**Applicable**][**Not applicable**]**
(c)	Asset Redemption Event:	[Applicable][Not applicable]
(d)	Asset Payment Shortfall Event:	**[**Applicable**][**Not applicable**]**

	(e)	Compartment Tax Event:	**[**Applicable**][**Not applicable**]**
	(f)	Related Agreement Termination Event:	**[**Applicable**][**Not applicable**]** **[***Specify any agreement which is a "Related Agreement" for the purposes of the Certificates***]**
	(g)	Annex Early Redemption Event:	**[**Applicable**][**Not applicable**]**
	(h)	Compartment Change in Law Event:	**[**Applicable**][**Not applicable**]**
	(i)	Reference Securities Restructuring Event:	[Applicable][Not applicable]
	(j)	Reference Securities Regulatory Event:	[Applicable][Not applicable]
	(k)	Charged Asset Repudiation / Moratorium Event:	[Applicable][Not applicable]
	(l)	Charged Assets Issuer Bankruptcy Event:	[Applicable][Not applicable]
(v)	Redemption for taxation and other reasons:		
	(a)	Condition 8(m)(i) (Redemption of Certificates for taxation reasons):	**[**Applicable**][**Not applicable] [*Specify notice period(s) for redemption for the purposes of Condition 8(m)(i)*]
	(b)	Condition 8(m)(ii) (Illegality):	**[**Applicable**][**Not applicable**]** [*Specify notice period(s) for redemption for the purposes of Condition 8(m)(ii)*]
(vi)	Redemption Date Extension:		**[**Applicable**][**Not applicable**]** [*if Redemption Date Extension is applicable, specify the Extended Redemption Date*] [*if Redemption Date Extension is applicable, specify whether Sale of Assets is applicable or not applicable*]
(vii)	Swap Termination Without Redemption:		[Applicable / Not applicable]
(viii)	No Unwind Costs:		No Unwind Costs is [applicable]/[not applicable]
(ix)	Redenomination, renominalisation and reconventioning provisions:		[Not applicable/The provisions in Condition 20 apply]

COMPARTMENT ASSETS AND SECURITY

47.	Description of Compartment:		Compartment [ ][*specify number/designation*]
	(i)	Legal nature of the Charged Assets:	As set out in Condition 9(c)(i)[(A)][(B)][(C)] (*Specify as applicable*) [*Specify governing law jurisdiction(s)*] Related Agreements are: [- Swap Agreement][.][;and][*specify for all applicable Charged Asset Structures*] [- Deposit Agreement][.] [;[and]*Specify if Charged Asset Structure 1 or 3 is applicable*] [- Repurchase Agreement]. [*Specify if Charged Asset Structure 7 is applicable*] [The Compartment Assets are the Reference Securities set out in paragraph 11 of Part B] [S*pecify if one of Charged Asset Structures 2, 5 or 6 are applicable*]
	(ii)	Compartment Account:	[Applicable / Not applicable]
	(iii)	Cash Manager:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable]
	(iv)	Account Bank:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable]
	(v)	Custodian:	[Applicable – BNP Paribas Securities Services, Luxembourg Branch / Not applicable]
	(vi)	Sub-Custodian in relation to the Compartment Assets:	[Applicable / Not applicable]
48.	Compartment Security for the Certificates is "Charged Assets charged to Trustee; additional foreign law security":		[Applicable / Not applicable] [*specify*]
49.	Compartment Assets substitution by Swap Counterparty (pursuant to Condition 9(f)):		[Applicable / Not applicable]
	(i)	Permitted currency of securities to be substituted for the Compartment Assets (pursuant to Condition 9(f)(i)):	[*Specify currency*]
	(ii)	Eligible Compartment Assets Issuer:	[*Identify any Eligible Compartment Assets Issuer for the purposes of Condition 9(f) including its name, address, country of incorporation, nature of its business and confirmation that it has securities admitted to trading on a regulated or equivalent market or has obligations guaranteed by an entity admitted to trading on a regulated or equivalent market.*]
	(iii)	Alternative Substitution	[Applicable / Not applicable]

(Condition 9(f)(ii)):

(iv)	Delivery or payment of the securities, obligations or cash which may be substituted for the Compartment Assets to the Custodian by (if not Swap Counterparty): (Condition 9(f)):	[[Applicable- Counterparty] / Not applicable]

50.	Compartment Assets substitution under a Credit Support Annex/Credit Support Deed/Pledge: delivery or payment of securities, obligations or cash by (if not Swap Counterparty) (Condition 9(f)):	[Applicable / Not applicable][Credit Support Annex / Credit Support Deed/Pledge][Counterparty]

DISTRIBUTION

51.	Date of [Subscription Agreement]:[27]	[*specify*]
52.	Name of and address[28] Dealer:	[*specify*]
53.	Total commission and concession:[29]	[*specify*] per cent. of the Aggregate Notional Amount
54.	Non exempt Offer:	[Applicable][Not applicable] (*If not applicable, delete the remaining placeholders of this paragraph and paragraph 7 of Part B*)

(i)	Non-exempt Offer Jurisdictions:	[*specify relevant Member State(s) where the Issuer intends to make Non-exempt Offers (select from the list of Non-exempt Offer Jurisdictions in the Base Prospectus) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*]
(ii)	Offer Period:	[*specify date, and if applicable, time*] until [and including][*specify date (and if applicable, time) or a formula such as "the Issue Date" or "the date which falls* [*specify*] *Business Days thereafter*"] [subject to any early closing]
(iii)	Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it:	[*insert names and addresses of financial intermediaries receiving consent (specific consent)*]

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27 Delete, if notional amount of the Certificates is less than EUR100,000 (or is equivalent in the relevant currency as of the Issue Date) and if the Certificates are not Derivative Securities.

28 Delete, if notional amount of the Certificates is less than EUR100,000 (or is equivalent in the relevant currency as of the Issue Date) and if the Certificates are not Derivative Securities.

29 Delete, if notional amount of the Certificates is less than EUR100,000 (or is equivalent in the relevant currency as of the Issue Date) and if the Certificates are not Derivative Securities.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market][and listing on an official list] of the Certificates described herein] pursuant to the SecurAsset S.A. €20,000,000,000 Secured Note, Warrant and Certificate Programme.

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

PART B – OTHER INFORMATION

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

(i)	Listing:	[Luxembourg Stock Exchange's Official List/*Specify other*/None]
(ii)	Admission to trading:	[Application has been or will be made for the Certificates to be admitted to trading on [Luxembourg Stock Exchange's Regulated Market/Luxembourg Stock Exchange's Euro MTF Market/Specify other] [with effect from [*specify*]].] [Not applicable.] *(Where documenting a fungible issue need to indicate that original [Certificates] are already admitted to trading))]*
(iii)	Estimate of total expenses related to admission to trading:	[*specify*]
(iv)	De-listing:	[Not applicable][The de-listing of the Certificates on the [exchange/regulated market] specified above shall occur on [*specify*], subject to any change to such [date/period] by such [exchange/regulated market] or any competent authorities, for which the Issuer [and the Guarantor] shall under no circumstances be liable].

2. Ratings

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

[The Certificates 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:

(The above disclosure should reflect the rating allocated to Certificates 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.]

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.]

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

[Not applicable] *[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*]

4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses[30]

(i)	Reasons for the offer:	[*specify*][Not applicable]
(ii)	Estimated net proceeds:	[Up to] [*specify*][Not applicable] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
(iii)	Estimated total expenses:	[*specify*] [*Include breakdown of expenses*][31]]

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

[Not applicable] [*Need to include details of where past and future performance and volatility of the index/formula/other variables can be obtained. If there is a derivative component in the interest or the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, an example of how the value of the investment is affected by the value of the underlying may be included.*]**[**

[*Where the underlying is an index need to include the name of the index and where the information about the index can be obtained. NB: The Securities may not be linked to an index composed by the Issuer or any entity belonging to the same group as the Issuer.*]

[*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].

6. Operational Information

(i) ISIN Code: **[***specify***]**

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30 Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed and the Securities are derivative securities to which Annex XII of the Prospectus Regulation applies.

31 Not required for debt securities with a notional amount per Certificate of at least EUR 100,000 (or its equivalent in the relevant currency as of the Issue Date).

(ii)	Common Code:	**[***specify***]**
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg approved by the Issuer and the Principal Paying Agent and the relevant identification number(s):	**[**Not applicable/Central Moneymarkets Unit/*give name(s) and number(s)***]**
(iv)	Delivery:	Delivery **[**against/free of**]** payment
(v)	Additional Paying Agent(s) (if any):	**[**Not applicable/*give name***]**

7. Public Offer [Applicable/Not applicable]

(i)	Authorised Offeror:	[Not applicable][Specify identity of any Authorised Offeror(s)][See paragraph 54 of Part A]
(ii)	[Offer Period:]	[*specify*]/[Not applicable][See paragraph 54 of Part A above]
(iii)	[Offer Price:]	[[*specify*][●] per cent. of the Issue Price (of which [[selling] fees] and [commissions] of [●] of [●] [the Aggregate Notional Amount] shall be retained by [the Authorised Offeror[s]] [and a [maximum] amount of [●] per cent. is represented by commissions payable to the Authorised Offeror[s].] [Issue Price/Not applicable/*specify*]
(iv)	[Conditions to which the offer is subject:]	[Not applicable/*give details*] [The Issuer reserves the right to withdraw the offer of the Certificates in whole or in part at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer reserves such right to withdraw the offer of Certificates, each such potential investor shall not be entitled to subscribe for or otherwise acquire Certificates.] [Article 30 of Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the "**Italian Financial Services Act**") permits the promotion and placement to the public in the Republic of Italy of financial instruments in a place other than the registered office or establishments of the issuer, offeror or appointed person carrying out such promotion and/or placement, under certain conditions. Such activity is referred in the Italian Financial Services Act as "door-to-door selling". Pursuant to paragraph 6 of Article 30 of the Italian Financial Services Act, all door-to-door selling of financial instruments must be accompanied by

		a clear indication to investors that they have a right of withdrawal from any contract entered into pursuant to door-to-door selling, exercisable within a period of seven days from the date of subscription by the investor. Within such period, contracts entered into pursuant to door-to-door selling shall not be enforceable, and investors may exercise their withdrawal right without payment of any charge or commission by contacting the offeror or appointed person with whom the subscription for Certificates was placed.] [A non-exempt offer of Certificates in the Republic of Italy may be made using door-to-door selling in accordance with Article 30 of the Italian Financial Services Act during the Offer Period.] [Further, Certificates may be offered in the Republic of Italy to investors through recorded telephone orders pursuant to applicable Italian law.]
(v)	[Description of the application process:]	[Not applicable/*give details*]
(vi)	[Details of the minimum and/or maximum amount of application:]	[Not applicable/*give details*]
(vii)	[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not applicable/*give details*]
(viii)	[Details of the method and time limits for paying up and delivering the Certificates:]	[Not applicable/*give details*]
(ix)	[Manner in and date on which results of the offer are to be made public:]	[Not applicable/*give details*]
(x)	[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/*give details*]
(xi)	[Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:]	[Not applicable/*give details*]
(xii)	[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/*give details*]

8. Placing and Underwriting[32]

(i)	Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:[33]	[*specify*]
(ii)	Name and address of any paying agents and depository agents in each country:	[*specify*]
(iii)	Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:[34]	[*specify*]
(iv)	When the underwriting agreement has been or will be reached:	[*specify*]

9. Yield

Indication of yield: **[***specify***]**[Not applicable]

10. Historic Interest Rates

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

11. Description of Charged Assets

(i) Charged Asset Structure: [Charged Asset Structure 1]/[Charged Asset Structure 2]/[Charged Asset Structure 3]/[Charged Asset Structure 4]/[Charged Asset Structure 5]/[Charged Asset Structure 6]/[Charged Asset Structure 7]/[Charged Asset Structure 8] is applicable.

[Where Charged Asset Structure 1 is applicable replicate the following paragraphs from Charged Asset Structure 1 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 1 from paragraphs 2.7 and 3.14:

1.1, 2.1, 2.2 (if applicable; if not applicable do not replicate), 2.3, 2.4, 2.5 (if applicable; if not applicable do not replicate), 2.6 (if applicable; if not applicable do not replicate), 3.1 (do not replicate if 3.2 is applicable), 3.2 (if applicable; if not applicable do not replicate), 3.3 (if applicable; if not applicable do not replicate), 3.4 (replicate if Interim Payment Amount is payable), 3.5 (replicate if Automatic Early Settlement

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32 To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

33 Where not all of the issue is underwritten, a statement of the portion not covered.

34 See "Risk Factors relating to Securities – Potential Conflicts of Interest" in the Base Prospectus for further information.

is applicable), 3.6 (if applicable; if not applicable do not replicate), 3.7, 3.8 (if applicable, if not applicable do not replicate), 3.9, 3.10 (if applicable; if not applicable do not replicate), 3.11 (if applicable; if not applicable do not replicate), 3.12 (if applicable; if not applicable do not replicate), 3.13, 4 and 5]

[Where Charged Asset Structure 2 is applicable replicate the following paragraphs from Charged Asset Structure 2 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 2 from paragraphs 1.3, 2.11 and 3.4:

1.1, 2.1 (*do not replicate if 2.2 is applicable*), 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*replicate if Interim Payment Amount is payable*), 2.5 (*if applicable, if not applicable do not replicate*), 2.6 (*replicate if Automatic Early Settlement is applicable*), 2.7, 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10, 3.1, 3.2, 3.3 (*replicate if Automatic Early Settlement is applicable*), 4 and 5]

[Where Charged Asset Structure 3 is applicable replicate the following paragraphs from Charged Asset Structure 3 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 3 from paragraphs 2.6 and 3.11:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3, 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable, if not applicable do not replicate*), 3.1 (*do not replicate if 3.2 is applicable*), 3.2 (*if applicable; if not applicable do not replicate*), 3.3 (*replicate if Interim Payment Amount is payable*), 3.4 (*replicate if Automatic Early Settlement is applicable*), 3.5 (*if applicable; if not applicable do not replicate*), 3.7, 3.8, 3.9 (*if applicable; if not applicable do not replicate*), 3.10 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 4 is applicable replicate the following paragraphs from Charged Asset Structure 4 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 4 from paragraph 2.10:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*replicate if Interim Payment Amount is payable*), 2.4 (*replicate if Automatic Early Settlement is applicable*), 2.5, 2.6, 2.7 (*if applicable; if not applicable do not replicate*), 2.9 (see Credit Support

Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 3 and 4]

[Where Charged Asset Structure 5 is applicable replicate the following paragraphs from Charged Asset Structure 5 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 5 from paragraphs 1.3, 2.17 and 3.7:

1.1, 2.1 (*do not replicate if 2.2 is applicable*), 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7 (*if applicable; if not applicable do not replicate*), 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10 (*if applicable; if not applicable do not replicate*), 2.11, 2.12 (*if applicable; if not applicable do not replicate*), 2.13 (*if applicable; if not applicable do not replicate*), 2.14, 2.15 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 2.16 (*if applicable; if not applicable do not replicate*), 3.1, 3.2, 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 6 is applicable replicate the following paragraphs from Charged Asset Structure 6 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 6 from paragraphs 1.3, 2.13 and 3.7:

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7, 2.8 (*if applicable; if not applicable do not replicate*), 2.9 (*if applicable; if not applicable do not replicate*), 2.10, 2.11 (see Credit Support Structure [1,2.3.4] (*delete as applicable; delete if not applicable*), 2.12 (*if applicable; if not applicable do not replicate*), 3.1, 3.2, 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 4 and 5]

[Where Charged Asset Structure 7 is applicable

replicate the following paragraphs from Charged Asset Structure 7 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 7 from paragraphs 2.9 and 3.15:

1.1, 2.1, 2.2, 2.3 (*if applicable; if not applicable do not replicate*), 2.4 (*if applicable; if not applicable do not replicate*), 2.5 (*if applicable; if not applicable do not replicate*), 2.6 (*if applicable; if not applicable do not replicate*), 2.7, 2.8, 3.1, 3.2 (*if applicable; if not applicable do not replicate*), 3.3 (*if applicable; if not applicable do not replicate*), 3.4 (*if applicable; if not applicable do not replicate*), 3.5 (*if applicable; if not applicable do not replicate*), 3.6 (*if applicable; if not applicable do not replicate*), 3.7 (*if applicable; if not applicable do not replicate*), 3.8 (*replicate if Automatic Early Expiration is applicable*), 3.9 (*if applicable; if not applicable do not replicate*), 3.10, 3.11 (*if applicable; if not applicable do not replicate*), 3.12 (*if applicable; if not applicable do not replicate*), 3.13, 3.14 (see Credit Support Structure [1,2.3.4] (*delete as applicable*))(*delete if not applicable*), 4 and 5]

[*Where Charged Asset Structure 8 is applicable replicate the following paragraphs from Charged Asset Structure 8 as set out in the Base Prospectus and complete the appropriate Variable Information for Charged Asset Structure 8 from paragraph 2.9:*

1.1, 2.1, 2.2 (*if applicable; if not applicable do not replicate*), 2.3 (*replicate if Interim Payment Amount is payable*), 2.4 (*replicate if Automatic Early Settlement is applicable*), 2.5, 2.6, 2.7 (*if applicable; if not applicable do not replicate*), 2.8, 3 and 4]

(ii) Amount of the Charged Assets: [*specify*]

(iii) Credit Support Structure: [Credit Support Structure 1]/[Credit Support Structure 2]/[Credit Support Structure 3]/[Credit Support Structure 4] is applicable.

Complete applicable items below:

Credit Support Valuation Agent: [specify]/delete if not applicable].

Margin Delivery Date: [specify]/delete if not applicable].

Minimum Transfer Amount: [specify]/delete if not applicable].

Over Collateralisation Level:[specify if other than 100%; otherwise delete]

		Repo Transaction Valuation Date: [specify]/delete if not applicable]. Support Percentage: [specify]/delete if not applicable]. Swap Agreement Valuation Date: [specify]/delete if not applicable]. Value: [specify if other than market value; otherwise delete] Swap Counterparty Collateral: [*specify*]
(iv)	Loan to value ratio or level of collateralisation of the Charged Assets:	[*specify*]
(v)	Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets:	[Applicable / Not applicable] For the purposes of Charged Asset Structure [1][2][3][4][5][6][7][8]: [the counterparty to the Swap Agreement is [BNP Paribas][BNP Paribas Fortis SA/NV](the "**Swap Counterparty**").] [the counterparty to the Deposit Agreement is: [*specify*] (the "**Deposit Counterparty**").] [the counterparty to the Repurchase Agreement is [*specify*] (the "**Repo Counterparty**").] [the issuer of [identify applicable Reference Securities] (the "**Reference Securities**") is [*specify*] (the "**Reference Security Issuer**").] [*Where an obligor has securities already admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, insert the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted so far as the Issuer is aware and/or is able to ascertain from information published by the obligor(s)*]
(vi)	Any relationship that is material to the issue between the Issuer, guarantor (if applicable) and obligor under the Charged Assets:	[Applicable / Not applicable] [*If applicable, provide details of the principal terms of that relationship*] [*specify*[which is the [*insert capacity/capacities*] under the Certificates]
(vii)	Charged Assets comprising obligations that are not admitted to trading on a regulated or	[Applicable / Not applicable] *[See paragraph entitled "Where the Charged Assets*

	equivalent market:	*comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets" above* where the applicable Charged Asset Structure is specified.*]*
(viii)	Charged Assets comprising obligations that are admitted to trading on a regulated or equivalent market:	[Applicable / Not applicable] [*If applicable, indicate the following:* *(a) a description of the securities;* *(b) a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market's regulatory authority;* *(c) the frequency with which prices of the relevant securities are published*.] (*Complete in conjunction with relevant provisions above*) [See paragraph entitled "*Where the Charged Assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets*" above]
(ix)	Names, addresses and significant business activities of the originators of the Compartment Assets:	[Applicable / Not applicable] [*If applicable, provide details*]
(x)	Name, address and significant business activities of the Calculation Agent, together with a summary of the Calculation Agent's responsibilities, its relationship with the originator or the creator of the assets forming the Charged Assets:	[*specify*]
(xi)	Names and addresses and brief description of the banks with which the main accounts relating to the Series are held:	[*specify*]
(xii)	Information concerning the Charged Assets reproduced from a source published by a third party:	[Applicable / Not applicable] [*If applicable*: So far as the Issuer is aware and is able

		to ascertain from information published by [*specify*], no facts have been omitted which would render the reproduced information misleading.]
(xiii)	Legal jurisdiction by which the Charged Assets are governed:	[*insert jurisdiction*]
(xiv)	Expiry or maturity date(s) of the Charged Assets:	[*The Maturity Date/specify other*]

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes, which will include the additional terms and conditions for payouts for Securities contained in Annex 1, Annex 2 in the case of Index Linked Notes, Annex 3 in the case of Share Linked Notes, Annex 4 in the case of Debt Linked Notes, Annex 5 in the case of Commodity Linked Notes, Annex 6 in the case of Inflation Linked Notes, Annex 7 in the case of Currency Linked Notes, Annex 8 in the case of Fund Linked Notes, Annex 9 in the case of Underlying Interest Rate Linked Notes, Annex 10 in the case of Credit Linked Notes and Annex 11 in the case of ETI Linked Notes or any other Annex (each an "**Annex**" and together the "**Annexes**" which may be added from time to time) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed upon or attached thereto such Terms and Conditions.*

*The Terms and Conditions of any Notes will be completed either by the applicable Final Terms or, in circumstances where Notes are not issued on the basis of this Base Prospectus, by issue specific terms prepared in accordance with any such issue ("**Issue Specific Terms**"). Where the Terms and Conditions of any Notes are completed by Issue Specific Terms, references herein and the Annexes to the "Final Terms" shall be deemed to be references to the "Issue Specific Terms" relating to such Notes.*

The applicable Final Terms or Issue Specific Terms (or the relevant provisions thereof) will be endorsed on, attached to or incorporated by reference in, each temporary global Note, permanent global Note and definitive Note. Reference should be made to the section headed "Applicable Note Final Terms" above for a description of the content of Final Terms or Issue Specific Terms, as the case may be, which will specify which of such terms is to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by SecurAsset S.A. (the "**Issuer**"), a regulated securitisation undertaking within the meaning of the Luxembourg Act dated 22 March 2004 on securitisation, as amended (the "**Securitisation Act 2004**", which term shall include such act as modified, amended or re-enacted from time to time), constituted and secured by relevant issue deed dated the date of issue of the Notes (the "**Issue Date**") between, *inter alia*, the Issuer, the Trustee and the persons specified therein as a Swap Counterparty and/or Deposit Counterparty and/or Repo Counterparty (each as defined in Condition 8 (*Compartment Assets*)) (the "**Issue Deed**") which incorporates master trust terms between the Issuer and BNP Paribas Trust Corporation UK Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)) as trustee for the Noteholders (as defined below) (the "**Master Trust Terms**", together with the Issue Deed, the "**Trust Deed**")). References herein to the "Issuer" shall include the Substitute Company as defined in Condition 13(e) (*Substitution*), in the case of any substitution of the Issuer in accordance with that Condition.

References herein to the Notes shall be references to the Notes of this Series and shall mean:

(a) in relation to any Note(s) represented by a global Note, units of each specified denomination (the "**Specified Denomination**") in the Specified Currency of issue;

(b) definitive Notes in bearer form ("**Definitive Bearer Notes**") issued in exchange for a global Note;

(c) any global Note in bearer or registered form ("**Bearer Global Note(s)**" and "**Registered Global Note(s)**", respectively, and each a global Note); and

(d) any definitive Notes in registered form ("**Definitive Registered Notes**") (whether or not issued in exchange for a Registered Global Note).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement dated 6 February 2009 as most recently amended and restated on 27 November 2015 (the "**Agency Agreement**", which expression includes the same as it may be modified and/or supplemented and/or restated from time to time) and made between, *inter alia*, the Issuer, the Trustee, BNP Paribas

Arbitrage S.N.C. as calculation agent (the "**Calculation Agent**"), which expression shall include any additional or successor calculation agents specified in the applicable Final Terms), BNP Paribas Securities Services, Luxembourg Branch as account bank (where specified in the applicable Final Terms) (the "**Account Bank**"), BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent, registrar, transfer agent and, where specified in the applicable Final Terms, the custodian and cash manager (the "**Issuing and Paying Agent**", the "**Registrar**", "**Transfer Agent**", the "**Custodian**" and the "**Cash Manager**" respectively, which expressions shall include, in each case, any additional or successor agents specified in the applicable Final Terms) and the other paying agents named therein (together with the Issuing and Paying Agent and the Registrar, the "**Paying Agents**", which expression shall include any additional or successor paying agents). The Paying Agents, the Transfer Agent, the Calculation Agent, the Cash Manager and the Custodian shall be referred to collectively hereunder as the "**Agents**". The Notes, the Trust Deed, the Agency Agreement (together with any supplements thereto), the Dealer Agreement and any other Related Agreements are together referred to as the "**Transaction Documents**".

Interest bearing Definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to "Coupons" or "coupons" shall, unless the context otherwise requires, be deemed to include a reference to "Talons" or "talons". Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall mean, in the case of Bearer Notes, the holders of the Notes and, in the case of Registered Notes, the persons in whose name the Notes are registered, and shall, in relation to any Notes represented by a global Note, be construed as provided in Condition 1 below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed. The Trustee also holds the Compartment Security granted by the Issuer for itself and the other Secured Parties (as defined below).

Any references in these Terms and Conditions to "Coupons", "Talons" or "Receipts" shall not apply to Registered Notes.

Any reference herein to "Euroclear" and/or "Clearstream, Luxembourg" (each term as defined below) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms, approved by the Issuer, the Guarantor (if applicable), the Trustee, the Issuing and Paying Agent, the Registrar (in the case of Registered Notes only) and, in the case of Notes listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange.

The Final Terms for the Notes (or other relevant provisions thereof) are set out in the Final Terms that are endorsed on, attached to or incorporated by reference in the Notes and which complete these terms and conditions (the "**Terms and Conditions**" or the "**Conditions**").

As used herein, "**Tranche**" means Notes which are identical in all respects and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series with the original Tranche and (b) identical in all respects except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices, as applicable.

Copies of the Master Trust Terms and the Agency Agreement are available for inspection by Noteholders during normal business hours from the specified offices of the Paying Agents. Copies of the applicable Final Terms are available for viewing by Noteholders at www.bourse.lu and copies may be obtained from the specified office of the Issuing and Paying Agent save that, if this Note is a Private Placement Note (as defined below) which has not been offered to the public in Luxembourg, the applicable Final Terms will only be obtainable by a Noteholder holding one or more such Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such

Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (as such term is defined in the Master Trust Terms). In this paragraph, "**Private Placement Note**" means any Note that is not (i) offered to the public in the EEA for the purposes of article 3.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**") (except as specified under article 3.2 of the Prospectus Directive) or (ii) admitted to trading in the EEA for the purposes of article 3.3 of the Prospectus Directive.

By subscribing to, or otherwise acquiring, the Notes, each Noteholder expressly acknowledges and agrees that:

(a) the Issuer (i) is subject to the Securitisation Act 2004 and (ii) in connection with the Notes has created a specific Compartment, which Compartment shall be identified by the number and/or name ascribed to it in the applicable Final Terms, to which all assets, rights, claims and agreements relating to the Notes will be allocated;

(b) the provisions with respect to the Order of Priority specified in the applicable Final Terms will apply;

(c) all payments to be made by the Issuer in respect of the Notes and the related Swap Agreement (if any) will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Charged Assets and, following a Note Acceleration in respect of the Note, the entitlement of the Noteholder will be limited to such Noteholder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms and not to the assets allocated to other compartments created by the Issuer or to any other assets of the Issuer and, in the case of Guaranteed Notes, sums obtained on its behalf by the Trustee, making a claim under the Guarantee, subject to the terms set out in the applicable Final Terms and the relevant provisions of the Guarantee;

(d) once all moneys received by the Trustee in connection with the enforcement of the Compartment Security over the Charged Assets have been applied in accordance with the Order of Priority set out in the applicable Final Terms and in the Master Trust Terms, it is not entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished;

(e) it shall have no right to attach or otherwise seize the Charged Assets (subject as provided above), or any other assets of the Issuer, including, without limitation, any assets allocated to any other compartments of the Issuer; and

(f) no Noteholder shall be entitled to petition or take any other step for the liquidation, winding-up or the bankruptcy of the Issuer or any similar proceedings.

Words and expressions defined in the Master Trust Terms or 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, and provided that, in the event of any inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, denomination and title

The Notes, except for Notes in registered form ("**Registered Notes**") are in bearer form ("**Bearer Notes**"), and, in the case of Definitive Bearer Notes, serially numbered, issued in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

The Notes are, to the extent specified in the applicable Final Terms, Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Dual Currency Interest Notes or Notes with interest linked to one or more underlying reference assets or bases ("**Underlying Reference(s)**") ("**Linked Interest Notes**") specified in the applicable Final Terms such as Index Linked Interest Notes, Share Linked Interest Notes, Debt Linked Interest Notes, Commodity Linked Interest Notes, Inflation Linked Interest Notes, Currency Interest Linked Notes, Fund Linked Interest Notes, Underlying Interest Rate Linked Interest Notes, Credit Linked Interest Notes, ETI Linked Interest Notes, Hybrid Interest Notes or any combination thereof. The Notes may be Index Linked Redemption Notes, Share Linked Redemption Notes, Debt Linked Redemption Notes, Commodity Linked Redemption Notes, Inflation Linked Redemption Notes, Currency Linked Redemption Notes, Fund Linked Redemption Notes, Underlying Interest Rate Linked Redemption Notes, Credit Linked Redemption Notes, ETI Linked Redemption Notes, Hybrid Redemption Notes, Instalment Notes, Dual Currency Redemption Note or any combination thereof.

If the Notes are Hybrid Notes and Hybrid Notes 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. "**Hybrid Business Day**" has the meaning given to such term in the applicable Final Terms.

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

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to "Coupons" and "Couponholders" in these Terms and Conditions are not applicable.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Subject as set out below, the Issuer, the Guarantor, the Trustee and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

The Issuer has appointed the Registrar and shall cause to be kept at the office of the Registrar, a register (the "**Register"**) on which shall be entered, *inter alia*, the name and address of the beneficial owner of the principal and stated interest of the Registered Notes, the amount and type of the Registered Notes held by each Noteholder, and particulars of all transfers of title to the Registered Notes. Subject as set out below, title to the Definitive Registered Notes will pass upon registration of transfers in the Register and surrender. The entries in the Register shall be conclusive absent manifest error and, except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Definitive Registered Note whose name is recorded in the Register pursuant to the Terms and Conditions of the Notes shall be deemed to be and may be treated as the absolute owner for purposes of payment of principal and interest on such Definitive Registered Notes regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the registered holder.

For so long as any of the Bearer Notes or the Registered Notes is represented by a global Note held on behalf of, or in the case of Registered Notes by a common depositary on behalf of, Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for

all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if any), the Trustee and any Paying Agent as the holder of such nominal amount of the Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant global Note or, as applicable, the registered holder (as shown in the Register, provided that, for all other purposes hereunder and notwithstanding any provision to the contrary, in the event of any differences between the information contained in the Register and that contained in the Issuer Register (as defined in the Agency Agreement), the Issuer Register shall prevail) of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor (if any), the Trustee and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Without limitation to the foregoing, in determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a global Note held on behalf of Euroclear and Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be. References to Euroclear or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. Transfers of Registered Notes

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A Registered Global Note may be transferred only to a successor clearing organisation. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(b) *Transfers of Definitive Registered Notes*

Subject as provided in paragraph (e) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located)

of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. The Registrar will promptly notify the Issuer of any change made to the Register and the Issuer will, upon receipt of any such notice, update the Issuer Register accordingly.

(c) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) *Exchanges and transfers of Registered Notes generally*

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time. Transfers by the holder of, or of a beneficial interest in a Registered Global Note may not be made except (i) to the Issuer or any affiliate thereof or (ii) outside the United States to or for the account of a non-U.S. person in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

(f) *Definitions*

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

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Note**" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

3. Status of the Notes; Guaranteed Notes

(a) *Status of the Notes*

The Notes, Coupons and Receipts are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, which are secured in the manner described in Condition 8 (*Compartment Assets*) and recourse in respect of which is limited in the manner described in Condition 8 (*Compartment Assets*).

(b) *Guaranteed Notes*

If the Notes are "**Guaranteed Notes**" as specified in the applicable Final Terms, and subject to the satisfaction of the conditions set out therein and in the relevant provisions of the Trust Deed applicable to such Notes, certain payment obligations of the Issuer in respect of such Guaranteed Notes will have the benefit of a guarantee (the "**Guarantee**") in favour of the Trustee (for itself,

and as trustee for holders of such Guaranteed Notes) made by BNP Paribas or, in respect of Notes with a denomination of at least EUR100,000 only, Banca Nazionale del Lavoro S.p.A. (in such capacity, each a "**Guarantor**").

The Guarantee (if applicable) constitutes an unsecured, unsubordinated and general obligation of the Guarantor and ranks and will rank (i) *pari passu* with all other existing and future unsecured, unsubordinated and general obligations of the Guarantor, but excluding any debts for the time being preferred by law, and (ii) senior to any subordinated obligations.

(c) *Subrogation of the Guarantor*

Under the Guarantee, the Guarantor will be subrogated to any rights of the holders of the Guaranteed Notes and the Trustee against the Issuer to the fullest extent permitted by applicable law and to the extent of such payment in respect of amounts due in respect of the Notes which have been paid by the Guarantor under the Guarantee.

4. Restrictions

(a) The Issuer has covenanted in the Trust Deed that, *inter alia*, so long as any of the Notes remains outstanding, it will not, without the prior written consent of the Trustee:

(i) engage in any activity or do anything whatsoever, except:

(A) issue instruments which are subject to the Securitisation Act 2004 and the enforcement and limited recourse provisions of the Trust Deed or any other relevant agreement ("**Permitted Instruments**", provided that such term shall include, without limitation, Related Agreements, warrants, certificates, Notes and Further Notes (each as defined below));

(B) otherwise incur indebtedness (any such indebtedness, "**Permitted Indebtedness**") in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is subject to, and in compliance with, the Securitisation Act 2004 and/or is secured on assets or other property which are not part of the Charged Assets and on terms which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets or property on which such indebtedness is secured;

(C) enter into any deed or agreement of any kind related to any Permitted Instrument or Permitted Indebtedness, but provided always that any such deed or agreement is entered into on terms that the obligations of the Issuer thereunder relate to a compartment of specified assets of the Issuer (other than its share capital) which does not form part of the Charged Assets and on terms which provide for extinguishment of all claims in respect of such obligations after application of the assets on which such indebtedness is secured;

(D) acquire, or enter into any agreement constituting, the collateral in respect of any Permitted Instrument or the assets securing any Permitted Indebtedness to enable it to discharge its obligations under such Permitted Instrument or Permitted Indebtedness;

(E) perform its obligations under each Permitted Instrument or Permitted Indebtedness, or any deed or agreement incidental to the issue and constitution of, or the granting of security for, any Permitted Instrument or Permitted Indebtedness;

(F) enforce any of its rights whether under any deed or agreement entered into in relation to any Permitted Instrument or Permitted Indebtedness;

(G) perform any act incidental to or necessary in connection with any of the above; or

(H) as permitted by the Conditions;

(ii) have any subsidiaries;

(iii) have any employees;

(iv) dispose of any of its property or other assets or any part thereof or interest therein (subject (A) to this subparagraph (a) and (B) as provided in the terms and conditions relating to any Permitted Instrument or the terms and conditions relating to any Permitted Indebtedness);

(v) issue any further fungible Notes unless the trustee and/or guarantor thereof is the same person as, respectively, the Trustee and/or, as the case may be, the Guarantor for the Notes;

(vi) pay any dividend or make any other distribution to its members;

(vii) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;

(viii) pledge its assets for the benefit of any other entity or make any loans or advances to any entity (other than in respect of or in connection with Permitted Instruments and Permitted Indebtedness); or

(ix) consolidate or merge with any other person.

(b) The Issuer has covenanted in the Trust Deed that, *inter alia*, save with the prior written consent of the Trustee, the Issuer shall, so long as any of the Notes remains outstanding:

(i) maintain proper books and records, accounts and financial statements for each Compartment and for the Issuer;

(ii) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);

(iii) notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default or the proposed mandatory redemption of any Note;

(iv) provide the Trustee with certain certificates within specified timeframes that no Event of Default or Potential Event of Default has occurred since the Certification Date of the last certificate or the date of the Trust Deed, or, if such an event has occurred, giving details of it;

(v) for each Series send to the Trustee at least 48 hours (if practicable) before it is to be issued the form of each notice to be given to the Noteholders and, once given, two copies of each such notice;

(vi) forthwith upon request by the Trustee give notice to the Noteholders of any Series of any unconditional payment to the Issuing and Paying Agent or the Trustee of any sum due in respect of the Notes, the Receipts or Coupons of such Series made after the due date for such payment;

(vii) in relation to each Series:

(A) comply and procure that each of the parties thereto complies with its obligations under the Agency Agreement, any Swap Agreement, any Deposit Agreement or any Repurchase Agreement; and

(B) procure that any Swap Counterparty gives the Trustee notice of any substitution of the Compartment Assets with substitute securities or cash substitute in accordance with the terms of Condition 8(f) (*Compartment Assets substitution by Swap Counterparty*);

(viii) not commingle its assets with those of any other entity; and

(ix) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations).

5. Interest

(a) *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 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)). 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 on 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:

(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 and the Notes are in definitive form:

(A) 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; and

(B) the amount of interest payable on any other Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Interest shall be calculated by applying the Rate of Interest to: (1) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or (2) in the case of Fixed Rate Notes in definitive form, the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, or in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 5(n) below.

Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of Interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**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 Notes*

(i) *Interest Period End Dates and Interest Payment Dates*

Each Floating Rate Note bears interest on its nominal amount 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 5(b), "**Interest Period End Date**" shall mean either:

(A) the specified 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 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:

(1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(A) 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 (2) 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

(2) 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

(3) 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

(4) 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.

In these 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 specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Settlement Currency other than euro, 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 (ii) in relation to any sum payable in euro, a day (a "**TARGET Settlement Day**") on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ("**TARGET2**") payment system which utilises a single platform and which was launched on 19 November 2007 (or, if such system ceases to be operative, such system (if any) determined by the Calculation Agent to be a suitable replacement) (the "**TARGET System**") is open.

(ii) *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.

(iii) *Determination of Rate of Interest and Calculation of Interest Amount*

The Issuing and Paying 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 Issuing and Paying 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:

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

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, 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 a sub-unit being rounded upwards or otherwise in accordance with the applicable market convention and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 5(n) below. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**Calculation Period**" means each Interest Period, AER Calculation Period, FR Calculation Period, Call Calculation Period or Put Calculation Period, as applicable.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest 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 (x) the number of days in such Determination Period and (y) 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 (x) the number of days in such Determination Period and (y) 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);

(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:

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

where:

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

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

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

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

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

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

(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:

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

where:

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

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

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

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

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

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

(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:

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

where:

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

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

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

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

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

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

(I) if "**1/1**" is specified in the applicable Final Terms, the Day Count Fraction shall be equal to 1.

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 applicable Final Terms, be affected by the application of any Business Day Convention.

(iv) *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 Issuing and Paying 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 Issuing and Paying 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.

(c) *Interest on Linked Interest Notes*

(i) *Interest Period End Dates and Interest Payment Dates*

Each Linked Interest Note bears interest on its nominal amount 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 5(c), "**Interest Period End Date**" shall mean either:

(A) the specified 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 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 on 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:

(1) in any case where Specified Periods are specified in accordance with Condition 5(c)(i)(B) 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 (2) 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

(2) 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

(3) 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

(4) 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 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.

(iii) *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 Issuing and 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:

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

(B) in the case of Linked Interest Notes in definitive form, the Calculation Amount,

and, 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 a sub-unit being rounded upwards or otherwise in accordance with the applicable market convention and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 5(n) below. Where the Specified Denomination of a

Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(d) ISDA, FBF and Screen Rate Determination

(i) *ISDA Determination*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which a Rate of Interest, or Rate, as the case may be, 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 (i), "**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:

(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 (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 (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(ii) *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 foreign exchange and derivatives transactions (an "**FBF Agreement**"), as in effect on the date of issue of the Notes, published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Note under which:

(A) the Issuer was the Floating Amount Payer;

(B) the Issuing and Paying 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 lowest Specified Denomination 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:

(1) 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 Condition 5(b)(iii) or Condition 5(c)(iii), as applicable;

(2) the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Issuing and Paying Agent in accordance with the preceding sentence; and

(3) the Issuing and Paying Agent or Calculation Agent, as applicable, will be deemed to have discharged its obligations under Condition 5(b)(iii) or Condition 5(c)(iii), as applicable 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.

(iii) *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, as the case may be, is to be determined, such 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 (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 11.00 a.m., 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 Issuing and Paying 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 Issuing and Paying 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 (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, the Issuing and Paying Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Issuing and Paying 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 Issuing and Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issuing and Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuing and Paying 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 Issuing and Paying 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 Issuing and Paying 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 Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in 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 Issuing and Paying Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, anyone or more banks (which bank or banks is or are in the opinion of the Issuer and the Issuing and Paying Agent suitable for such purpose) informs the Issuing and Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) (or, as the case may be, the quotations of such bank or banks to the Issuing and Paying Agent) 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).

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuing and Paying Agent and approved in writing by the Trustee, or as specified 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.

(e) *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 Conditions 5(b)(ii), 5(b)(iv), 5(c)(ii), 5(d) (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 Conditions 5(b)(ii), 5(b)(iv), 5(c)(ii), 5(d) (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

If the applicable Final Terms specifies a Rate Multiplier for any Interest Period, then, the Rate of Interest in respect of any such Interest Period shall be multiplied by the relevant Rate Multiplier, subject always to the Minimum and/or Maximum Rate of Interest as described above.

(f) *Notification of Rate of Interest and Interest Amount*

The Issuing and 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 (if applicable) (such notifications to occur no later than the Business Day following such determination), (in the case of Notes which are listed on the Luxembourg Stock Exchange and where the rules of such stock exchange so require) the Luxembourg Stock Exchange and, if applicable, to any other stock exchange on which the relevant Notes are for the time being listed. In addition, the Issuing and Paying Agent (except where the relevant Notes are unlisted and are in global form and held in their entirety on behalf of Euroclear and Clearstream, Luxembourg in which event there may be substituted for such publication the delivery of such notice to Euroclear and Clearstream, Luxembourg for communication to the Noteholders) shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 18 as soon as possible after their determination but in no event later than the fifth Luxembourg 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 18. For the purposes of these Conditions, the expression "**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Luxembourg.

(g) *Certificates to be Final*

All certificates, communications, determinations, calculations and decisions made for the purposes of the provisions of this Condition 5 by the Issuing and Paying Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Issuing and Paying Agent, the other Paying Agents, or, if applicable, the Calculation Agent and all Noteholders, and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Issuing and Paying Agent or, if applicable, the Calculation Agent or the Trustee, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) *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 7(e)(iv) (*Early Redemption Amounts*) 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 (or such other rate) 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 or on such other basis as may be specified in the applicable Final Terms.

(i) *Coupon Switch*

If Coupon Switch is specified as applicable in the applicable Final Terms:

(i) if Coupon Switch Election is specified as applicable in the applicable Final Terms, the Issuer shall (where a corresponding election is made by the Swap Counterparty in respect of the Swap Agreement relating to the Notes) elect that the Rate of Interest for the Notes will be amended (a "**Coupon Switch**") from the pre-switch coupon specified in the Final Terms (the "**Pre-Switch Coupon**") to the post-switch coupon specified in the applicable Final Terms (the "**Post-Switch Coupon**") on and after the Coupon Switch Date;

(ii) if Automatic Coupon Switch is specified as applicable in the applicable Final Terms and an Automatic Coupon Switch Event occurs, the Rate of Interest for the Notes will be amended (a "**Coupon Switch**") from Pre-Switch Coupon specified in the applicable Final Terms to the Post-Switch Coupon specified in the applicable Final Terms on and after the Coupon Switch Date immediately following the SPS ACS Valuation Date or SPS ACS Valuation Period, as applicable, on which the Automatic Coupon Switch Event occurs.

If Additional Switch Coupon is specified as applicable in the applicable Final Terms, following the occurrence of a Coupon Switch, an Additional Switch Coupon Amount will be payable on the Additional Switch Coupon Payment Date. The "**Additional Switch Coupon Amount**" in respect of each nominal amount of Notes equal to the Calculation Amount will be the amount specified as such in the applicable Final Terms. For the purposes of Conditions 1, 6 and 10, Additional Switch Coupon Amount shall be deemed to be interest. For the avoidance of doubt, the Additional Switch Coupon Amount will only be paid on the single Additional Switch Coupon Payment Date.

Notice of any Coupon Switch will be given to Noteholders in accordance with Condition 18.

"**Additional Switch Coupon Payment Date**" means the date specified as such in the applicable Final Terms, which such date must be an Interest Payment Date;

"**Automatic Coupon Switch Event**" means that the SPS ACS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" or (d) "less than or equal to", as specified in the applicable Final Terms, the Automatic Coupon Switch Level, (x) on a SPS ACS Valuation Date or (y) in respect of a SPS ACS Valuation Period, as specified in the applicable Final Terms;

"**Automatic Coupon Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**Coupon Switch Date**" means each date specified as such or determined pursuant to the provisions in the applicable Final Terms;

"**SPS ACS Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**SPS ACS Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS ACS Valuation Period**" means each period specific as such in the applicable Final Terms.

(j) *Condition to Interest Payment*

Where "Condition to Interest Payment" is specified as applicable in the applicable Final Terms, the obligation of the Issuer to pay an Interest Amount will be subject to the receipt of an aggregate amount equal to the aggregate Interest Amounts payable in respect of each Note then outstanding on or prior to the relevant Interest Payment Date from the Swap Counterparty under the Swap Agreement. In the event that the Swap Counterparty fails to pay an amount under the Swap Agreement or the Swap Agreement terminates for any reason other than as scheduled on its scheduled termination date or where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party, the Issuer will have no further obligation to pay interest in respect of the Notes and no Event of Default will occur in respect of such non-payment save where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party.

(k) *Interest Payments*

Interest will be paid subject to and in accordance with the provisions of Condition 6 (*Payments*). 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 upon due presentation thereof, 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 Issuing and 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 18 (*Notices*) or individually) of receipt of all sums due in respect thereof up to that date, provided that in the case of Credit Linked Notes, these provisions shall be subject to the provisions contained in Annex 10 "*Additional Terms and Conditions for Credit Linked Securities*" and provided further that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Interest Amount will be payable unless the Interest Payment Date falls on or prior to the Automatic Early Redemption Date.

(l) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Issuing and Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Issuing and Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with Conditions 5(b)(ii) and Condition 5(d), and in each case in accordance with Condition 5(b)(iii), the Trustee shall, (or shall appoint an agent on its behalf to do so), determine the Rate of Interest at such rate as, in its sole and absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 5, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall (or shall appoint an agent on its behalf to do so) calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Issuing and Paying Agent or the Calculation Agent, as applicable.

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

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

"**Interest Rate$_{(i-1)}$**" means in respect of an Interest Period, the Rate of Interest determined by the Calculation Agent in respect of the immediately preceding Interest Period. For the avoidance of doubt, Interest Rate$_{(i-1)}$ is expressed as a rate per annum, unless otherwise specified in the Final Terms.

"**Issue Date**" means the date specified as such on the applicable Final Terms.

(m) *Rounding generally*

In connection with the calculation of any amount payable in respect of the Notes (including, without limitation, interest) and unless otherwise provided in these Terms and Conditions or in the

applicable Final Terms, such amounts will, if necessary, be rounded to the nearest sub-unit (as defined above) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise as specified in the applicable Final Terms.

(n) *Dual Currency Interest Notes*

If the Notes are specified in the applicable Final Terms as Dual Currency Interest Notes, if 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.

"**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.

"**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 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, 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.

"**Specified Exchange Rate**" means the rate of exchange specified in the applicable Final Terms.

6. Payments

For the purposes of this Condition 6, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions will, where the context so admits, be deemed also to refer to physical delivery of any Entitlement.

(a) *Method of Payment*

(i) *Bearer Notes*

Payments of principal and interest (if any) in respect of the Definitive Bearer Notes will (subject as provided below) be made against presentation or surrender of such Bearer Notes or Coupons, as the case may be, at any specified office of any Paying Agent. Payments of principal in respect of instalments (if any), other than the last instalment, will (subject as provided below) be made against surrender of the relevant Receipt. Payment of the last instalment will be made against surrender of the relevant Bearer Note. Each Receipt must be presented for payment of such instalment together with the relevant

Definitive Bearer Note against which the amount will be payable in respect of that instalment. If any Definitive Bearer Notes are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Note together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the Definitive Bearer Notes to which they appertain do not constitute obligations of the Issuer. All payments of interest and principal with respect to Bearer Notes will be made only against presentation and surrender of the relevant Bearer Notes, Coupons or Receipts outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Subject as provided below, payments in respect of definitive Notes denominated in a Settlement Currency (other than euro) will (subject as provided below) be made by a cheque in the Settlement Currency drawn on, or, at the option of the holder and upon 15 days' prior notice to the Issuing and Paying Agent, by transfer to an account in the Settlement Currency maintained by the payee with, a bank in the principal financial centre of the country of the Settlement Currency. Payments in euro will be made 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 euro-cheque. Notwithstanding the foregoing, the Issuer shall be entitled to vary settlement where, for reasons beyond its control (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.

Fixed Rate Bearer Notes in definitive form should be presented for payment with all unmatured Coupons appertaining thereto (which expression shall include Coupons to be issued on exchange of Talons which will have matured on or before the relevant redemption date), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupon which the sum so paid bears to the total amount due) will be deducted from the sum due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 9 (*Taxation*)) for the payment of such sum due for payment, whether or not such Coupon has become void pursuant to Condition 10 (*Prescription*) or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Bearer Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Note, Dual Currency Interest Note, Dual Currency Redemption Note (each, a "**Dual Currency Note**"), Index Linked Note, Share Linked Note, Debt Linked Note, Commodity Linked Note, Inflation Linked Note, Currency Linked Note, Fund Linked Note, Underlying Interest Rate Linked Note, Credit Linked Note, ETI Linked Note or Hybrid Note in definitive bearer form all unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Floating Rate Note, Index Linked Note, Share Linked Note, Debt Linked Note, Commodity Linked Note, Inflation Linked Note, Currency Linked Note, Fund Linked Note, Underlying Interest Rate Linked Note, Credit Linked Note, ETI Linked Note, Underlying Interest Rate Linked Note or Hybrid Note is presented for redemption without all unmatured Coupons appertaining thereto, payment of all amounts due in relation to such Note shall be made only upon indemnification of the Issuer and the Guarantor (if applicable).

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 14 (*Replacement of Notes, Receipts, Coupons and Talons*). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

(ii) *Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (in each case, the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or integral multiples of U.S.$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Settlement Currency drawn on a Designated Bank and mailed on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

Neither the Issuer, the Guarantor (if applicable), the Trustee nor any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(iii) *Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will be made in the manner specified above and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside of the United States. A record of each payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which such Global Note is presented for the purpose of making such payment, and such record shall be prima facie evidence that the payment in question has been made.

The holder of the relevant Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear and/or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Global Note. No person other than the holder of the relevant Global Note shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Global Note.

If any date for payment of any amount in respect of any Note, Receipt or Coupon 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 10 (*Prescription*)) is:

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 (in the case of Notes that are Definitive Bearer Notes);

(B) each Financial Centre specified in the applicable Final Terms; and

(C) in relation to any sum payable in euro, a day on which the TARGET System is open. If the due date for redemption of any interest bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from (and including) the last preceding due date for the payment of interest (or from the Interest Commencement Date) will be paid against surrender of such Note.

The names of the initial Issuing and Paying Agent and the other initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents and/or to approve any change in the specified office of any Paying Agent, provided that:

(1) so long as any Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Issuing and Paying Agent (in the case of Bearer Notes) and a Transfer Agent, which may be the Registrar (in the case of Registered Notes) with a specified office in the place required by the rules and regulations of the relevant stock exchange; and

(2) there will at all times be a Issuing and Paying Agent and a Registrar; and

(3) 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 European Council Directive 2003/48/EC or any other Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive other than the jurisdiction in which the Issuer or Guarantor (if any) are incorporated.

Payments in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

(iv) *FX Settlement Disruption*

If the Settlement Currency specified in the applicable Final Terms is a Relevant Currency, FX Settlement Disruption will apply, and:

(A) if, on the second Business Day prior to the Disrupted Payment Date, the Calculation Agent (in good faith and in a commercially reasonable manner) 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 18 as soon as reasonably practicable thereafter and, in any event, prior to the relevant Disrupted Payment Date;

(B) following the occurrence of a FX Settlement Disruption Event:

(1) 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 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

(2) (i) in the case of (1)(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, (ii) in the case of (1)(ii) above, in lieu of paying the relevant Disrupted Amount in the relevant Settlement Currency, the Issuer will, subject to sub-paragraph (C) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (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;

(C) if sub-paragraph (B)(1)(ii) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate in good faith and in a commercially reasonable manner in accordance with the following procedures:

(1) 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

(2) 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 acting in good faith and in a commercially reasonable manner;

(D) this Condition 6(a)(iv) shall not apply to Dual Currency Notes;

(E) 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 6(a)(iv), and no additional interest will be paid in respect of any postponement of the date for payment;

(F) For the avoidance of doubt, nothing contained in this Condition 6(a)(iv) shall prevent the Calculation Agent from determining that an Additional Disruption Event and/or Optional Additional Disruption Event has occurred, in which case, the provisions of Condition 7(o) shall prevail in the event of any conflict between this Condition 6(a)(iv) and Condition 7(o);

(G) 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 Interest Amount, Final Redemption Amount or such other amount payable (if any);

"**FX Settlement Disruption Currency**" means US dollars ("**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 (C) above;

"**FX Settlement Disruption Expenses**" means the sum of (i) the cost to the Issuer, the Swap Counterparty and/or the Swap Counterparty's Affiliates of, unless No Unwind Costs is specified as applicable in the applicable Final Terms,

unwinding any hedging arrangements related to the Notes 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 good faith and in a commercially reasonable manner; 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**"), Ghanian 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**").

(b) *Physical Delivery*

(i) *Physical Delivery*

(A) *Asset Transfer Notices*

In relation to Notes to be redeemed by delivery or (in the case of Credit Linked Notes) Delivery of the Entitlement(s) ("**Entitlement**" shall be the quantity of the Relevant Asset(s) equal to the Entitlement Amount specified in its Final Terms, in order to obtain delivery or Delivery of the Entitlement in respect of any Note, the relevant Noteholder must:

(1) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuing and Paying Agent and any entity appointed by the Issuer to deliver or Deliver, as the case may be, the Entitlement on its behalf (the "**Delivery Agent**"), not later than the close of business in each place of reception on the Cut-Off Date, a duly completed asset transfer notice (an "**Asset Transfer Notice**") in the form set out in the Agency Agreement; and

(2) if such Note is in definitive form, the relevant Noteholder must deliver (I) if this Note is a Bearer Note, to any Paying Agent or (II) if this Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Issuing and Paying Agent and the Delivery Agent (as defined above) not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement.

For the purposes hereof, "**Cut-off Date**" means the date specified as such in the applicable Final Terms or if not so specified (a) in respect of a Note that is not a

Credit Linked Note, the third Business Day immediately preceding the Maturity Date or (b) in respect of a Credit Linked Note, 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) (each as defined in the Additional Terms and Conditions for Credit Linked Securities (the "**Credit Linked Conditions**")).

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent.

An Asset Transfer Notice may only be delivered (I) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (II) if such Note is in definitive form, in writing.

If this Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

(aa) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer or Delivery Agent may obtain details for the delivery or Delivery of the Entitlement;

(bb) specify the series number of the Notes and the number of Notes which are the subject of such notice;

(cc) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes and irrevocably instruct and authorise the relevant Clearing System to debit the relevant Noteholder's account with such Notes on or before the Delivery Date or (in the case of Credit Linked Notes) the Delivery Date (as defined in the Credit Linked Conditions);

(dd) include an undertaking to pay all Expenses and, in the case of Notes represented by a Global Note, an authority to the relevant Clearing System to debit a specified account with the relevant Clearing System in respect thereof and to pay such Expenses;

(ee) include such details as are required for delivery or 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 or Delivered and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer, including pursuant to Credit Linked Condition 4, 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 and the Issuer (following a notification to such effect from the Calculation Agent) electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer (following a notification to such effect from the Calculation Agent) electing to pay the Alternate Cash Redemption Amount;

(ff) certify that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and

(gg) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If Condition 6(b)(ii) (*Variation of Settlement*) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the Registrar or any Paying Agent.

(B) *Verification of the Noteholder*

In the case of Notes represented by a Global Note, upon receipt of an Asset Transfer Notice, the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent the series number and number of Notes the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Note. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer and any Delivery Agent thereof. The relevant Clearing System will on or before the Delivery Date or (in the case of Credit Linked Notes) the Delivery Date (as defined in the Credit Linked Conditions), as the case may be, debit the securities account of the relevant Noteholder with the relevant Notes.

(C) *Determinations and Delivery*

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Notes represented by a Global Note, by the relevant Clearing System or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, or in each case in consultation with the Issuing and Paying Agent, and shall be conclusive and binding on the Issuer, the Guarantor (if applicable), the Issuing and Paying Agent(s), any Delivery Agent and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent and any Delivery Agent immediately after being delivered or sent as provided in paragraph (A) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Notes represented by a Global Note, the relevant Clearing System, or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, or in each case in consultation with the Issuing and Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the Registrar or a Paying Agent, as the case may be, as provided

above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

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 Linked Notes Delivered at the risk of the relevant Noteholder, in the manner provided below on the Delivery Date (as defined in the Credit Linked Conditions), provided that the Asset Transfer Notice is duly delivered as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuing and Paying Agent and the Delivery Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Linked Notes) the original date fixed for delivery at the risk of such Noteholder in the manner provided below. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the date fixed for redemption or the original date fixed for delivery, as applicable and no liability in respect thereof shall attach to the Issuer or the Guarantor (if applicable), if any.

The Issuer (or any Delivery Agent on its behalf) shall, at the risk of the relevant Noteholder, deliver or procure the delivery of the Entitlement for each Note or (in the case of Credit Linked Notes) Deliver the Deliverable Obligations, obligations and/or other assets comprising the Entitlement, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in good faith determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice. 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.

(D) *General*

Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Notes, provided that, the 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 good faith and in a commercially reasonable manner shall be paid to the Noteholder.

Following the Delivery Date of a Share 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 Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be

paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Condition 6(b)(i)(A) (*Asset Transfer Notices*).

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 (if applicable), the Paying Agents, the Registrar, 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.

(E) *Settlement Disruption*

The provisions of this Condition 6(b)(i)(E) apply to Notes other than Credit Linked Notes.

If, in the opinion of the Calculation Agent, delivery of the Entitlement in 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 18 (*Notices*). Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 18 (*Notices*) 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, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Swap Counterparty and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms;

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer or the Guarantor (if applicable), as the case may be, as a result of which the Issuer or the Guarantor (if applicable), as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms; and

"**Relevant Asset**" means the Relevant Asset specified in the applicable Final Terms.

(F) *Additional Provisions for Credit Linked Notes*

In the case of Credit Linked Notes, the provisions contained in Annex 10 - "Additional Terms and Conditions for Credit Linked Securities" will 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 unfettered 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 18 (*Notices*).

(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 good faith and in a commercially reasonable manner in respect of such Notes, if the Calculation Agent determines (in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradeable, 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 good faith and in a commercially reasonable manner) of such other shares which the Calculation Agent determines, in good faith and in a commercially reasonable manner, are freely tradeable (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 Noteholders, but in lieu thereof to make payment to the relevant Noteholder on the Settlement Date of an amount equal to the fair market value as determined by the Calculation Agent (unless otherwise specified) (the "**fair market value**") of the Entitlement on the Valuation Date as determined by the Calculation Agent in good faith and in a commercially reasonable manner 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 18 (*Notices*) 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 tradeable**" share shall mean (i) with respect to the United States, a share 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 and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradeable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in good faith and in a commercially reasonable manner or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction.

(iv) *Rights of Noteholders and Calculations*

None of the Issuer, the Guarantor (if applicable), the Trustee, 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.

(c) *Currency unavailability*

This Condition shall apply when payment is due to be made in respect of any Note, Receipt or Coupon in the Specified Currency (other than where the Specified Currency is euro) and the Specified Currency is not available to the Issuer or the Guarantor (as applicable) due to the imposition of exchange controls, the Specified Currency's replacement or disuse or other circumstances beyond the control of the Issuer or the Guarantor (as applicable) ("**Currency Unavailability**"). In the event of Currency Unavailability, the Issuer or the Guarantor (as applicable) will be entitled to satisfy its obligations to the holder of such Note, Receipt or Coupon by making payment in euro on the basis of the spot exchange rate at which the Specified Currency is offered in exchange for euro in an appropriate inter-bank market at noon, Paris time, four Business Days prior to the date on which payment is due or, if such spot exchange rate is not available on that date, as of the most recent prior practicable date. Any payment made in euro in accordance with this paragraph will not constitute an Event of Default.

(d) *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 18 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 (1) the second Business Day following the date on which the Calculation Agent determines that a FX Disruption Event is no longer subsisting or (2) 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) (1) in the case of (A)(1) above, the Issuer will pay the relevant amount in the Settlement Currency on the Postponed DE Payment Date or (2) in the case of (A)(2) 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 (following a notification to such effect from the Calculation Agent) 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 18 (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 Issuing and 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 18 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 and notifying the Issuer of the relevant adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 18 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. (London time) on any day or on any day on which commercial banks were not open for business in London, the first day thereafter on which commercial banks are open for business in London. 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 6(d), 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 Exchange Rate Observation Date (or, if different, the day on which rates for that Settlement Currency Exchange Rate 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, the Swap Counterparty and/or any of the Swap Counterparty's Affiliates (1) to convert the Specified Currency into the Settlement Currency through customary legal channels; (2) to effect currency transactions on terms as favourable as those available to residents of the Reference Jurisdiction; or (3) 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.

7. Redemption and Purchase

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below and provided that no Early Redemption Event or Event of Default has occurred on or prior to the Maturity Date, each Note will be redeemed by the Issuer at its Final Redemption Amount (or, in the case only of Physical Delivery Notes to which Physical Settlement is applicable, where the applicable Final Terms specifies that such Notes will be redeemed by payment and/or delivery of a physical delivery of the Entitlement by the payment and the delivery of the Entitlement) in the relevant Specified Currency on the Maturity Date or, in the case of a Credit Linked Note, at the relevant amount and/or by delivery as specified in the Credit Linked Conditions.

The "**Final Redemption Amount**", in respect of each nominal amount of Notes equal to the Calculation Amount, shall be an amount calculated by the Calculation Agent equal to:

(i) Calculation Amount x the percentage or (ii) the Final Payout, in each case as specified in the applicable Final Terms,

provided that, (i) if the Notes are Dual Currency Redemption Notes, the product of the above formula will be converted into the Settlement Currency as provided in Condition 7(t) below and (ii) if the product of the Final Payout is zero, no amount shall be payable on final redemption of the Note.

The "**Entitlement**" shall be the quantity of the Relevant Asset(s) equal to the Entitlement Amount specified in the applicable Final Terms or (in the case of a Credit Linked Note) the relevant obligations and/or other assets as specified in the Credit Linked Conditions.

(b) *Final Terms*

The Final Terms applicable to the Notes will indicate either:

(i) that the Notes cannot be redeemed prior to their Maturity Date (except as otherwise provided in paragraphs (f), (l), (m) and (r) below and in Condition 11 (*Events of Default*)); or

(ii) that such Notes will be redeemable at the option of the Issuer and/or the Noteholders prior to such Maturity Date in accordance with the provisions of paragraphs (c) and/or (d) below on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

(c) *Redemption at the Option of the Issuer*

If Issue Call Option is specified as applicable in the applicable Final Terms, the Issuer may, having given notice (the period of which shall not be less than the minimum nor more than the maximum

specified in the applicable Final Terms) in accordance with Condition 18 (*Notices*), to the Noteholders (with a copy to the Trustee) (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 Optional Redemption Date(s) specified in the applicable Final Terms and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. The "**Optional Redemption Amount**" in respect of each nominal amount of Notes equal to the Calculation Amount shall be an amount calculated by the Calculation Agent equal to:

((i) Calculation Amount x the percentage or (ii) the Call Payout, in each case specified in the applicable Final Terms,

provided that if the product of the Call Payout is zero, no amount shall be payable on redemption of such Note.

In the case of a partial redemption of Notes, the Notes to be redeemed will (i) in the case of Notes represented by Notes in definitive form, be selected individually by lot, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**") and (ii) in the case of Notes represented by a global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Notes represented by Notes in definitive form, a list of the serial numbers of such Notes will be published in accordance with Condition 18 (*Notices*) not less than 15 days prior to the date fixed for redemption.

In respect of any Note, any notice given by the Issuer pursuant to this Condition 7(c) shall be void and of no effect in relation to that Note in the event that, prior to the giving of such notice by the Issuer, the holder of such Note had already delivered a Put Notice (as defined in Condition 7(d) (*Redemption at the Option of the Noteholders*) below) in relation to that Note in accordance with Condition 7(d) (*Redemption at the Option of the Noteholders*).

(d) *Redemption at the Option of the Noteholders*

If Noteholder Put Option is specified as applicable in the applicable Final Terms, upon the holder of any Note giving notice to the Issuer in accordance with Condition 18 (*Notices*) (the period of which shall not be less than the minimum nor more than the maximum specified in the applicable Final Terms) the Issuer will, upon the expiry of such notice, redeem in whole (but not in part), such Note on the Optional Redemption Date as specified in the applicable Final Terms and at the Optional Redemption Amount together, if appropriate, with interest accrued to but excluding the Optional Redemption Date. It may be that before an option to require the Issuer to redeem any Note can be exercised, certain conditions and/or circumstances will need to be satisfied. The "**Optional Redemption Amount**" shall be an amount calculated by the Calculation Agent equal to:

(i) Calculation Amount x the percentage or (ii) the Put Payout, specified in the applicable Final Terms,

provided that if the product of the Put Payout is zero, no amount shall be payable on redemption of such Note.

To exercise the right to require redemption of a Note, the holder of such Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case

may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 7(d) and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2 (*Transfers of Registered Notes*). If the Note is in definitive form, the Put Notice must be accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Notice, be held to the order or under its control. If the Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must, within the notice period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Note is represented by a global Note, at the same time present or procure the presentation of the relevant global Note to the Issuing and Paying Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph (d) shall be:

(i) irrevocable except where prior to the due date of redemption an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 11 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph (d); and

(ii) void and of no effect in relation to such Note in the event that, prior to the giving of such Put Notice by the relevant holder (A) such Note constituted a Redeemed Note, or (B) the Issuer had notified the Noteholders of its intention to redeem all of the Notes then outstanding, in each case pursuant to Condition 7(c) (*Redemption at the Option of the Issuer*).

(e) *Early Redemption Amounts*

For the purposes of paragraphs (f), (l) and (m) below and Condition 11 (*Events of Default*), the Final Terms may specify that the Notes will be redeemed at the "**Early Redemption Amount**" calculated by the Calculation Agent in accordance with the following (provided that the Final Terms may specify more than one of the following amounts to apply in the applicable Final Terms in respect of different Early Redemption Events):

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) subject to Conditions 7(e)(v) and 7(e)(vi), in the case of a Note (other than a Zero Coupon 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 of the Note less associated costs; or

(iii) in the case of Notes to which Physical Settlement is applicable by delivery of the Entitlement multiplied by a percentage specified in the applicable Final Terms; or

(iv) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of:

(A) the Reference Price specified in the applicable Final Terms; and

(B) 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; or

(v) if Liquidation Proceeds is specified in the applicable Final Terms as the Early Redemption Amount, the Issuer shall appoint an agent to sell or otherwise realise the Charged Assets (the "**Disposal Agent**") which shall be the Calculation Agent (or such other party as may be agreed by the Issuer and the Trustee provided that, for the avoidance of doubt, the Disposal Agent may not be the Issuer) and the Early Redemption Amount in respect of each Note shall be the *pro rata* share of the Liquidation Proceeds. "**Liquidation Proceeds**" shall be an amount, subject to a maximum equal to the Liquidation Proceeds Cap save where "Liquidation Proceeds Cap" is specified as not applicable in the applicable Final Terms, equal to the amounts received by or on behalf of the Issuer upon the sale or realisation of the Charged Assets (including, without limitation, any termination payment received by the Issuer under the relevant Swap Agreement and/or the amount received by the Issuer in respect of the Charged Assets on the redemption date, expiration date or other date for final payment in respect of the Charged Assets) after the deduction of any fees (including, without limitation, any legal fees), costs, expenses and taxes incurred by the Disposal Agent (for itself and on behalf of the Issuer), in respect of the sale or realisation of the Charged Assets and the early redemption of the Notes, any due and unpaid fees, costs and expenses of the Trustee and the Agents and any amounts due to be paid to the Swap Counterparty under the Swap Agreement. Where the Liquidation Proceeds Cap is applicable, "**Liquidation Proceeds Cap**" means (A) in case of redemption of the Notes as a result of an Early Redemption Event, the Final Redemption Amount (calculated on the basis that any reference to the Maturity Date in relation to the determination thereof shall be deemed to be a reference to the Early Redemption Date) that would have been payable but for the occurrence of the Early Redemption Event; or (B) following a Note Acceleration, the Final Redemption Amount (calculated on the basis that any reference to the Maturity Date in relation to the determination thereof shall be deemed to be a reference to the date on which notice of the Note Acceleration was given by the Trustee in accordance with Condition 11 (*Events of Default*)) that would have been payable but for the occurrence of the Event of Default. In respect of Notes bearing interest, notwithstanding anything to the contrary herein, the Early Redemption Amount, as determined by the Calculation Agent in accordance with this Condition 7(e)(v) shall include any accrued interest to (but excluding) the relevant early redemption date and apart from any such interest included in the Early Redemption Amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer in respect of such redemption. Unless otherwise specified in the applicable Final Terms, the Early Redemption Amount will be "Liquidation Proceeds" as defined above; or

(vi) if Liquidation Proceeds/Fair Market Value is specified in the applicable Final Terms as the Early Redemption Amount, the Calculation Agent will determine the fair market value of a Note (taking into account the occurrence of the relevant Early Redemption Event but otherwise being equal to a *pro rata* share of the amounts payable to the Issuer in respect of the Charged Assets following their early termination or realisation on or prior to the Early Redemption Date) which such amount will be the Early Redemption Amount in respect of each Note unless such amount would be less than the *pro rata* share of the Liquidation Proceeds (subject to the Liquidation Proceeds Cap, if applicable) realised by a Disposal

Agent appointed by the Issuer in respect of a Note, in which case a *pro rata* share of the Liquidation Proceeds (subject to the Liquidation Proceeds Cap, if applicable) will be the Early Redemption Amount in respect of each Note.

(f) *Redemption following Swap Counterparty optional termination*

Where "**Swap Counterparty optional termination - Call option**" is specified as being applicable in the Final Terms:

(i) within two Business Days of service by the Swap Counterparty of a notice that it has opted to terminate a Swap Agreement in whole or in part on the next following Interest Payment Date, the Issuer shall notify the relevant Noteholders in accordance with Condition 18 (*Notices*) of the early redemption of the Notes in whole or in part on such Interest Payment Date and, subject to the relevant provisions of Condition 7(l) (*Early Redemption Events*), shall redeem the relevant Notes at their principal amount outstanding plus interest accrued thereon to such Interest Payment Date on such Interest Payment Date; or

(ii) within two Business Days of service by the Swap Counterparty of a notice that it has opted to terminate a Swap Agreement on any other date (where it has such right as so specified in the Final Terms) nominated by the Swap Counterparty (the "**Nominated Termination Date**"), the Issuer shall notify the relevant Noteholders in accordance with Condition 18 (*Notices*) of the early redemption of the Notes on such Nominated Termination Date and subject to Condition 7(l) (*Early Redemption Events*) shall redeem the Notes at their principal amount outstanding plus interest accrued thereon (if any) to such Nominated Termination Date on such Nominated Termination Date.

If any such redemption becomes due to be made by the Issuer in accordance with this Condition 7 and payment to the Noteholders pursuant hereto is not made, the security constituted by the Trust Deed shall become enforceable and the Trustee may take such action as is provided in Condition 11 (*Events of Default*) or the Trust Deed.

(g) *Instalments*

If the Notes are repayable in instalments, they 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 will be determined pursuant to paragraph (e) above.

(h) *Maturity Date Postponement*

Where "Maturity Date Postponement" is specified as applicable the applicable Final Terms and the Maturity Date Postponement Event Condition is satisfied, the Maturity Date will be the day falling the number of Postponement Business Days after the Cash Settlement Payment Date.

For the purposes of this Condition 7(h):

"**Maturity Date Postponement Event Condition**" means due to the occurrence of an event leading to the occurrence of one or more Disrupted Days (in the case of Index Linked Notes, Share Linked Notes, Currency Linked Notes or ETI Linked Notes) or a Commodity Disrupted Day (in the case of Commodity Linked Notes), the Cash Settlement Payment Date would not fall at least two Business Days before the Scheduled Maturity Date specified in the applicable Final Terms;

"**Cash Settlement Payment Date**" means the day falling the number of Payment Delay Days after the Redemption Valuation Date or the final Valuation Date (if there is no Redemption Valuation Date), as the case may be;

"**Postponement Business Days**" means the number of Business Days specified in the applicable Final Terms and

"**Payment Delay Days**" means the number of Business Days specified in the applicable Final Terms.

(i) *Purchases*

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Compartment Assets, for the repayment of no more than the equivalent proportion of any amount deposited under any Deposit Agreement, for the termination of no more than the equivalent proportion of any Swap Agreement and for the purchase of the Notes, which transaction will leave the Issuer with no net liabilities in respect thereof, the Issuer may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise, in accordance with applicable laws and regulations. The Trustee will accept as evidence of the satisfaction of the criteria to such purchase a certificate (which it may rely on without further enquiry) of the Issuer confirming such arrangements and confirming that the remaining Charged Assets are sufficient to secure the Issuer's remaining obligations in respect of the remaining Notes. If required by any applicable law or regulation, Notes purchased by or on behalf of the Issuer will be surrendered for cancellation (within one Business Day of such purchase), in the case of Bearer Notes, by surrendering any such Note, together with, in the case of Definitive Bearer Notes, any unmatured Receipts and Coupons appertaining thereto, to a Paying Agent and, in the case of Registered Notes, by surrendering the certificate representing such Notes to the Registrar.

In such circumstances:

(A) the Issuer and the Secured Parties will be deemed to have consented to the release of the security in respect of that proportion of the Charged Assets that corresponds to the principal amount outstanding of the Notes so purchased;

(B) unless an Event of Default or an event or circumstance that could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 11 (*Events of Default*) become an Event of Default (a "**Potential Event of Default**") has occurred and the Trustee has actual notice of such occurrence, such proportion of the Charged Assets shall be deemed to have been released from the security created under the Trust Deed.

(j) *Cancellation*

All Notes which are redeemed or purchased by the Issuer will forthwith be cancelled (together with, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption), and may not be reissued or resold. Upon such cancellation, in the case of Notes which are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange, the Issuer will forthwith inform the Luxembourg Stock Exchange of such cancellation. All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (i) above (together with, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent or, in the case of Registered Notes, the Registrar, and cannot be reissued or resold.

(k) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, except for Registered Notes, pursuant to paragraphs (c), (d), (f), (l) or (m) or upon its becoming due and repayable as provided in Condition 11 (*Events of Default*) 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 (e)(iv) above as though the references therein to the date fixed for the 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:

(i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Issuing and Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 18 (*Notices*).

(l) *Early Redemption Events*

The applicable Final Terms may specify that any of the following events applies. If any does so apply then in each case, in the event that the Calculation Agent notifies the Issuer and (if applicable) the Guarantor in writing (with a copy to the Trustee, on which notification the Trustee shall rely without further investigation or enquiry) that it has determined that one or more (as applicable) of the following events (each, an "**Early Redemption Event**") has occurred:

(i) there is a payment default in respect of any of the Charged Assets (other than the relevant Swap Agreement) (an "**Asset Payment Default Event**");

(ii) the issuer or primary obligor in respect of any of the Charged Assets (each, a "**Charged Assets Issuer**") or any guarantor of the Charged Assets Issuer's obligations in respect of any Charged Assets fails to perform or observe any of its obligations under the relevant Charged Assets and the failure continues after the expiration of any applicable grace period or the occurrence of any event (including, but not limited to, default, event of default, or other similar condition or event (howsoever described)) that results in the Charged Assets becoming capable of being declared due and payable before they would otherwise have been due and payable (an "**Asset Default Event**"); or

(iii) any of the Charged Assets is, for any reason, redeemed or otherwise terminated prior to its scheduled redemption or termination date (an "**Asset Redemption Event**"); or

(iv) there is a payment default in respect of any of the Charged Assets (other than the relevant Swap Agreement) or the aggregate amount received by the Issuer in respect of the Charged Assets on the redemption date, expiration date or other date for final payment in respect of the Charged Assets is less than the aggregate of the Final Redemption Amounts payable by the Issuer in respect of the Notes (an "**Asset Payment Shortfall Event**"); or

(v) on or after the Trade Date, (A) due to the adoption of any change in any applicable law or regulation (including, without limitation, any tax law) 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 brought in a court of competent jurisdiction), either (1) any amount is required to be deducted or withheld for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of any payment to be received by the Issuer under one or more Compartment Assets or (2) the Issuer becomes obliged to pay any amount for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of (I) any payment received by the

Issuer under one or more Compartment Asset or (II) holding, acquiring or disposing of any Compartment Asset (a "**Compartment Tax Event**"); or

(vi) the early termination of any Swap Agreement (or any other agreement specified as a Related Agreement in the Final Terms) entered into in respect of the Notes other than where the Issuer is the Defaulting Party (as defined in the relevant Swap Agreement) thereunder and the relevant event of default relates to the insolvency of the Issuer or is an event of default under the Notes or due to the purchase by the Issuer of all the outstanding Notes of a series (a "**Related Agreement Termination Event**"); or

(vii) where an Annex to these Conditions is applicable, and/or in accordance with Condition 7(o)(B) below, the Calculation Agent notifies the Issuer that an event has occurred in respect of which the Calculation Agent in good faith and in a commercially reasonable manner determines it is not possible to make an adjustment in respect of such event and that the Notes should be redeemed early as contemplated in either (A) such Annex or (B) Condition 7(o)(B), as the case may be (an "**Annex Early Redemption Event**"); or

(viii) on or after the Trade Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation in respect of tax, solvency 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 or financial authority), or the combined effect thereof if occurring more than once, the Issuer or the Calculation Agent determines in good faith and in a commercially reasonable manner that it has become illegal for (1) the Issuer to perform its obligations in respect of any Notes or the Swap Counterparty to perform its obligations in respect of any Swap Agreement, (2) for the Issuer to hold, acquire or dispose of relevant hedge positions relating to any Notes or for the Swap Counterparty to hold, acquire or dispose of relevant hedge positions relating to any Swap Agreement save where such an event in (A) or (B) would constitute an Additional Disruption Event or an Optional Additional Disruption Event (in the case of Index Linked Notes, Share Linked Notes, Commodity Linked Notes, Currency Linked Notes, Underlying Interest Rate Linked Notes or ETI Linked Notes) or an Extraordinary Fund Event (in the case of Fund Linked Notes) or an Extraordinary ETI Event (in the case of ETI Linked Notes) or the Notes are Inflation Linked Notes, or (3) for the Issuer to hold, acquire or dispose of any Compartment Assets (a "**Compartment Change in Law Event**"); or

(ix) the Calculation Agent determines that, on or after the Trade Date, any of the following has occurred in respect of the Reference Securities

(A) any event (by way of change to the actual terms and conditions applicable to the Reference Securities or by way of exchange of the Reference Securities with another asset) which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals, (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates, (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation or any change in the currency or composition of any payment of interest or principal under the Reference Securities; or

(B) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities or a cancellation, converstion or compulsory exchange of the Reference Securities; or

(C) any event analogous to the events specified in (A) or (B),

(a "**Reference Securities Restructuring Event**")

(x) (A) any event occurs as a result of action taken or 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 any case, irrespective of whether such event is expressly provided for under the terms of the Reference Securities which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination), (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates (including by way of redenomination), (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation, or (5) any change in the currency or composition of any payment of interest or principal under the Reference Securities; or

(B) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities, or a mandatory cancellation, conversion or exchange; or

(C) any event which has an analogous effect to any of the events specified in (A) and/or (B),

(a "**Reference Securities Regulatory Event**"); or

(xi) an authorised officer of the issuer of the Charged Assets or any guarantor of the obligations of the issuer of the Charged Assets in respect of any Charged Assets or a governmental authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Charged Assets or declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to the Charged Assets (a "**Charged Assets Repudiation/Moratorium Event**"); or

(xii) the issuer, or primary obligor, or guarantor in respect of any of the Charged Assets:

(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: (1) 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 (2) 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.

(a "**Charged Assets Issuer Bankruptcy Event**")

the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (which notice shall be irrevocable) to the Trustee and the Noteholders pursuant to Condition 18 (*Notices*) prior to the specified date of redemption that it intends to redeem the Notes in accordance with this Condition 7(l), and upon the expiry of such notice, the Issuer shall redeem all, but not some only, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date of redemption specified in the relevant notice (the "**Early Redemption Date**"), provided that, where Maturity Date Extension applies as set out in Condition 7(n) (*Maturity Date Extension*), such redemption shall take place in accordance with Condition 7(n).

Where Swap Termination Without Redemption is specified as applicable in the applicable Final Terms, the Swap Agreement shall be deemed not to be included in the term "Charged Assets" as used in Conditions 7(l)(i) to (iv) (inclusive) and the definition of Related Agreement Termination Event in Condition 7(l)(vi) shall not apply and shall be replaced by the following definition:

"(vi) the early termination of any Swap Agreement entered into in respect of the Notes other than where (i) the Issuer is the Defaulting Party (as defined in the relevant Swap Agreement) and the relevant event of default relates to the insolvency of the Issuer, (ii) a Swap Default has occurred, (iii) where an Annex to these Conditions is applicable or Condition 7(o)(B) applies, the Swap Agreement terminates in whole or in part as a result of an event in respect of which the Calculation Agent determines that it is not possible to make an adjustment to the terms of the Notes in respect of such event in accordance with such Annex or Condition 7(o)(B) but due to the application of provisions relating to delayed redemption in the relevant Annex or Condition 7(o)(B)(c), the Notes are not due to be redeemed until the Maturity Date or (iv) the Swap Agreement terminates due to the purchase by the Issuer of all the outstanding Notes of a series (a "**Related Agreement Termination Event**");"

(m) *Redemption for taxation and other reasons*

(i) If so specified in the Final Terms, then if the Issuer, on the occasion of the next payment due in respect of the Notes, would be required by law to withhold or account for tax or would suffer tax in respect of its income or payments so that it would be unable to make payment of the full amount due, the Issuer shall so inform the Trustee and the Swap Counterparty in writing and shall use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Trustee and the Swap Counterparty as the principal obligor or to change (to the satisfaction of the Trustee and the Swap Counterparty) its residence for taxation purposes to another jurisdiction approved in writing by the Trustee and the Swap Counterparty and, if it is

unable to arrange such substitution or change before the next payment is due in respect of the Notes, the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (unless otherwise specified in the Final Terms) to the Trustee and the Noteholders (which notice shall be irrevocable), and upon expiry of such notice shall redeem all but not some only of the Notes at their Early Redemption Amount together with interest (if any) accrued to the date fixed for redemption. Such notice shall be given promptly upon the occurrence of any of the above events.

(ii) Where this Condition 7(m) is specified as being applicable in the applicable Final Terms, if (x) a Swap Agreement is terminated in whole for any reason save for where Condition 7(f) (*Redemption following Swap Counterparty optional termination*) is applicable and the Swap Counterparty exercises its rights to terminate the Swap Agreement according to its terms or a Repurchase Agreement is terminated for any reason, or a Deposit Agreement is terminated for any reason in each case save where the Issuer has purchased all the Notes pursuant to, and in accordance with, Condition 7(i) (*Purchases*); or (y) the Issuer satisfies the Trustee (by the provision of such certificates and opinions as the Trustee deems necessary) that the performance of its obligations under the Notes or that any arrangements made to hedge its position under the Notes have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, then the Issuer shall forthwith give not more than 25 nor less than 10 days' notice (unless otherwise specified in the Final Terms) to the Trustee, the Noteholders and the Swap Counterparty (which notice shall be irrevocable) and on the expiry of such notice shall redeem all but not some only of the Notes at their Early Redemption Amount together with interest (if any) accrued to the date fixed for redemption. Such notice shall be given promptly upon the occurrence of either of the above events and such redemption made, unless the Trustee shall certify to the Issuer that it considers in its absolute discretion that it is in the interests of the holders of the Notes that such notice and redemption be delayed or not given or made, as the case may be, or an Extraordinary Resolution of the holders of the Notes shall otherwise direct.

(n) *Maturity Date Extension*

Where:

(A) "**Maturity Date Extension**" is specified in the applicable Final Terms as being applicable on the Early Redemption Date (or on the Maturity Date if the Early Redemption Event occurs on such date); and/or

(B) Swap Termination Without Redemption is specified in the applicable Final Terms as being applicable, a Swap Default has occurred and the Issuer has not received any Early Termination Amount (as defined in the Swap Agreement) due to it in the manner set out in Condition 8(k) (*Swap termination*) on or prior to the Maturity Date,

the terms of this Condition 7(n) shall apply as set out below, provided that, where sub-clause (B) applies and no Early Redemption Event has also occurred, the provisions of Conditions 7(n)(i), 7(n)(ii), 7(n)(vi) and 7(n)(vii) only shall apply.

(i) Where the Issuer has not received in full the amount it is scheduled to receive on or prior to such date in respect of any of the Charged Assets relating to the relevant Notes (such assets, the "**Non-Performing Assets**") it shall, on the Early Redemption Date or the Maturity Date, as the case may be, pay any amounts it has received in respect of the Charged Assets *pro rata* to the Noteholders (provided that all amount(s) which are to be deducted from such amounts in accordance with the definition of Liquidation Proceeds have been paid in full or, where a Swap Default has occurred and Swap Termination

Without Redemption applies and no Early Redemption Event has also occurred, the amounts which are to be deducted as set out in Condition 8(k) (the "**Deduction Amounts**")) and redemption in full of the Notes will be postponed until the date specified in the applicable Final Terms as the "Extended Maturity Date" (the "**Extended Maturity Date**"), provided that if during the Extension Period the Calculation Agent gives at least three Business Days' notice to the Issuer that the Calculation Agent, in good faith and in a commercially reasonable manner, has determined that the Issuer will not receive any further amounts in respect of the Non-Performing Assets and that it will not be possible to realise any further amounts in respect of the Non-Performing Assets, the date on which such notice expires shall be deemed to be the actual Extended Maturity Date and no further amounts shall be paid by the Issuer in respect of the Notes following such date.

(ii) On each day in the Extension Period falling three Business Days after the receipt of any amounts by the Issuer in respect of any Non-Performing Asset, the Issuer shall procure that such amounts are paid *pro rata* to the Noteholders as set out in Condition 7(n)(v) and provided that the Deduction Amounts have been paid in full.

(iii) The Issuer shall appoint an agent (which may be the Swap Counterparty, provided the Swap Counterparty is not the obligor in respect of a relevant Non Performing Asset, or the Trustee or any other party which the Issuer may appoint with the consent of the Trustee) to assist it in recovering amounts in respect of the Non Performing Assets (a "**Realisation Agent**"). Any fees, costs and expenses charged and incurred by the relevant Realisation Agent will be deducted from the amounts available to pay Noteholders or any other Secured Party which is entitled to such amounts.

(iv) If "Sale of Assets" is specified in the applicable Final Terms and there is a Non-Performing Asset, the Issuer shall, at the request of the Calculation Agent, procure that any Non-Performing Asset and any other Charged Asset in respect of the relevant Compartment (or the Issuer's rights thereto) which the Issuer is requested by the Calculation Agent to sell shall be sold by the relevant Disposal Agent prior to the Extended Maturity Date and the proceeds from such sale (less any costs or expenses incurred in such sale) will be applied in accordance with the terms of this Condition 7(n) and, if the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, that such sale is not possible in respect of any Non-Performing Asset, it shall be deemed that the amount received in respect of such Non-Performing Asset is equal to zero.

(v) The total amount received in respect of the Charged Assets in the period from, and including, the Maturity Date or the Early Redemption Date, as the case may be, to, but excluding, the Extended Maturity Date (the "**Extension Receipts**") shall be deemed to form part of the Liquidation Proceeds as set out in Condition 7(e) provided that, to the extent amounts are owed to Secured Parties other than the Noteholders in respect of the relevant Series of Notes, the Issuer shall apply the Extension Receipts in accordance with the applicable Order of Priority which would apply following a Note Acceleration in respect of the Notes and any reference to amounts being paid to the Noteholders in this Condition 7(n) shall be construed accordingly.

(vi) No interest shall accrue on the Notes for the period from, and including, the Maturity Date or the Early Redemption Date, as the case may be, to, and including, the Extended Maturity Date if redemption of the Notes in whole or in part is postponed to the Extended Maturity Date in accordance with this Condition 7(n) unless specified otherwise in the applicable Final Terms.

(vii) As used in this Condition 7(n), "Extension Period" means the period from, but excluding, the Maturity Date or the Early Redemption Date to, and including, the Extended Maturity Date.

(o) *Additional Disruption Events and Optional Additional Disruption Events*

(A) **Definitions**

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption (unless specified to be not applicable in the applicable Final Terms) and any Optional Additional Disruption Event specified as being applicable in the applicable Final Terms;

"**Cancellation Event**" means that in the determination of the Calculation Agent all or some of the Debt Securities are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for (i) the Issuer to hedge the Issuer's obligations in respect of the Notes and/or (ii) the Swap Counterparty or its Affiliates to hedge the Swap Counterparty's obligations in respect of the Swap Agreement;

"**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, any law or regulation in respect of tax, 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 Calculation Agent determines in good faith and in a commercially reasonable manner that:

(a) it has become illegal for the Issuer, the Swap Counterparty and/or any of the Swap Counterparty's Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Linked Notes), any relevant hedge position relating to a Debt Security (in the case of Debt Linked Notes), any relevant hedge position relating to a Share (in the case of Share Linked Notes), any relevant hedge position relating to an ETI (in the case of ETI Linked Notes), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Linked Notes), any relevant hedge position relating to a Fund Share (in the case of Fund Linked Notes) or any other hedge position relating to the Notes (each a "**Hedge**"); or

(b) the Swap Counterparty 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 performing its obligations in respect of the Swap Agreement 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 the Swap Counterparty or any of the Swap Counterparty's Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Securities or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Securities (for the purposes of hedging the Issuer's obligations under the Notes or the Swap Counterparty's obligations in respect of the Swap Agreement) are denominated, into the currency specified as the Settlement Currency in the applicable Final Terms (the "**Settlement Currency**"), as the case may be, 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 Securities or any options or futures contracts in relation to the Index, the Shares or the Debt Securities 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;

"**Failure to Deliver due to Illiquidity**" means, 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 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 the Swap Counterparty or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction; or

(d) the bankruptcy of the hedging counterparty of the Swap Counterparty (or of an affiliate) in relation to the Notes where it is impossible for the Swap Counterparty (or such affiliate) to find another hedging counterparty in relation to the Notes;

"**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 Swap Counterparty 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 Swap Counterparty performing its obligations with respect to the Swap Agreement, 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 Swap Agreement, as determined by the Calculation Agent;

"**Hedging Shares**" means the number of components comprised in an Index (in the case of Index Linked Notes), or the number of Shares (in the case of Share Linked Notes) that the Swap Counterparty 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 Swap Agreement;

"**Increased Cost of Hedging**" means that the Swap Counterparty 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 Linked Notes) or, in respect of any Index Linked Notes relating to a Custom Index, any relevant hedge positions relating to an Index or, in respect of any Debt Linked Notes, any relevant hedge positions relating to a Debt Security, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Swap Counterparty performing its obligations under the Swap Agreement entered into 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 Linked Notes relating to a Custom Index, any relevant hedge positions relating to an Index or, in respect of any Debt Linked Notes, any relevant hedge positions relating to a Debt Security, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Swap Counterparty and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

"**Increased Cost of Stock Borrow**" means that the Swap Counterparty and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Linked Notes) or any Share (in the case of Share Linked Notes) 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 Linked Notes) or a Share (in the case of Share Linked Notes), 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 the Swap Counterparty 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 Securities or any options or futures contracts in relation to the Index, the Shares or the Debt Securities 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 or the Swap Counterparty 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 Swap Counterparty and/or any of its Affiliates 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 Linked Notes) or any Share (in the case of Share Linked Notes), 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 Linked Notes) or a Share (in the case of Share Linked Notes), 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; and

"**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.

(B) If an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Calculation Agent may take the action described in (a) or, if applicable, (b), (c), (d) or (e) below, as the case may be, provided that where the circumstances giving rise to such Additional Disruption Event and/or Optional Additional Disruption Event result in a determination, adjustment or calculation being made in respect of the relevant Swap Agreement, the Calculation Agent shall, to the extent applicable, make the corresponding determination, adjustment or calculation in respect of the Notes:

(a) determine in good faith and in a commercially reasonable manner 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 18 of the Notes (*Notices*), notify the Issuer and the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Early Redemption Amount in accordance with Condition 7(e). Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 of the Notes (*Notices*); or

(c) if Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, on the Maturity Date the Issuer shall redeem each Note at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms), (y) the Swap Early Termination Amount (if any) and (z) the Unused Charged Assets Proceeds (if any).

For the purposes of this Condition 7(o)(B)(c):

"**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note, and subject to a minimum of zero, a *pro rata* share of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement)

received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part, and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure); and

"**Unused Charged Assets Proceeds**" means any amounts received by the Issuer from the Charged Assets other than the Swap Agreement which have not been used on or prior to the Maturity Date to pay interest and/or redemption amounts otherwise payable in respect of the Notes, amounts due to the Swap Counterparty under the Swap Agreement (including in respect of any Early Termination Amount due to the Swap Counterparty) and/or any fees, costs or expenses due to the Trustee and/or any of the Agents; or

(d) in the case of Index Linked Notes linked to a Custom Index, 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**"), promptly notify the Issuer and the Issuer will give notice to the Noteholders in accordance with Condition 18 of the Notes (*Notices*) 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 good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner 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 Linked Notes linked to a Basket of Shares, 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 (where the Notes are Physical Delivery Notes) 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 good faith and in a commercially reasonable manner 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 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 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 good faith and in a commercially reasonable manner 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 thedetermination of the Calculation Agent, acting in good faith and in a commercially reasonable manner:

(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:

(X) subject as provided elsewhere in the Terms and Conditions of the Notes, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Date in accordance with Condition 6(b) (*Physical Delivery*); and

(Y) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Calculation Agent may, in good faith and in a commercially reasonable manner, require that the Issuer satisfies its obligations in respect of the relevant Notes by payment to the relevant Noteholders of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 18 (*Notices*). 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 18 (*Notices*).

For the purposes hereof:

"**Failure to Deliver Redemption Amount**" means, in respect of any relevant Note, the fair market value of such Note (taking into account the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Swap Counterparty and/or its Affiliates and/or the Issuer of, unless No Unwind Costs is specified as applicable in the applicable Final Terms, unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner (or, where, as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(C) Notwithstanding any other provision of these Conditions, in making its determination in the manner set out in Condition 7(o)(B) above, the Calculation Agent shall, to the extent applicable to the relevant Notes, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Additional Disruption Event or Optional Additional Disruption Event.

(D) 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 18 (*Notices*) 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.

(E) In determining to take a particular action as a result of an Additional Disruption Event or Optional Additional Disruption Event, the Calculation Agent is under no duty to consider the interests of Noteholders or any other person. In making any determination as to which action to take following the occurrence of an Additional Disruption Event or Optional Additional Disruption Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Noteholders or any other person in connection with the Notes as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Notes.

(p) *Payout Switch*

If Payout Switch is specified as applicable in the applicable Final Terms (i) if Payout Switch Election is specified as applicable in the applicable Final Terms, the Issuer shall (where a corresponding election is made by the Swap Counterparty in respect of the Swap Agreement relating to the Notes) elect that or (ii) if Automatic Payout Switch is specified as applicable in the applicable Final Terms and an Automatic Payout Switch Event occurs, the Redemption/Payment Basis for the Notes will be amended (a "**Payout Switch**") from the Redemption/Payment Basis specified in the Final Terms to the Switched Payout specified in the applicable Final Terms on and after the Payout Switch Date specified in the applicable Final Terms. Notice of any Payout Switch will be given to Noteholders in accordance with Condition 18.

"**Automatic Payout Switch Event**" means that the SPS APS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" or (d) "less than or equal to", as specified in the applicable Final Terms, the Automatic Payout Switch Level, (x) on a SPS APS Valuation Date or (y) in respect of a SPS APS Valuation Period, as specified in the applicable Final Terms;

"**Automatic Payout Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**SPS APS Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**SPS APS Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS APS Valuation Period**" means each period specific as such in the applicable Final Terms.

(q) *Knock-in Event and Knock-out Event*

(A) 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.

(B) 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.

(C) In respect of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, 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 Linked Notes or Debt Linked Notes, 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 Linked Notes or Debt Linked Notes, a Custom Index Disruption Event or Market Disruption Event, as applicable, is occurring, then 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.

(D) In respect of Commodity Linked Notes or Currency Linked Notes, 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 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.

(E) In respect of Notes other than Custom Index Linked Notes or Debt Linked Notes, 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 Linked Notes, Share Linked Notes or ETI Linked Notes, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Linked Notes, a Disruption Event or (c) in the case of Commodity Linked Notes, a Market Disruption Event, in each case occurs or exists, then 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 Linked Notes or Currency Linked Notes, 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.

(F) In respect of Debt Linked Notes, 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 Security is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Security 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 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.

(G) *Definitions relating to Knock-in Event/Knock-out Event*

"**Knock-in Determination Day**" means (a) each date, (b) each Scheduled Trading Day in the Knock-in Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-in Determination Period, or (d) each Business Day in the Knock-in Determination Period, or (e) each Commodity Business Day in the Knock-in Determination Period, as specified 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) if SPS Knock-in Valuation is specified as applicable in the applicable Final Terms, the Knock-in Value is; or

(b) if the Notes are Currency Linked Notes and FX Knock-in Valuation is specified as applicable in the applicable Final Terms:

(i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or

(ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is; or

(c) if SPS Knock-in Valuation is specified as not applicable in the applicable Final Terms and, if the Notes are Currency Linked Notes, unless FX Knock-in Valuation is specified as applicable in the applicable Final Terms:

(i) in respect of a single Underlying Reference, that the Level is; or

(ii) 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 and (y) the relevant Weighting is,

(1) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (2) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, as specified in all the applicable Final Terms;

"**Knock-in Level**" means the FX Knock-in Level or the price, level, 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 Linked Notes (other than Custom Index Linked Notes), Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes), a Scheduled Custom Index Business Day (in the case of Custom Index Linked Notes), 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 Linked Notes (other than Custom Index Linked Notes), Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes), a Scheduled Custom Index Business Day (in the case of Custom Index Linked Notes), 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 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 Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**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-in Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Knock-out Determination Day**" means (a) each date, (b) each Scheduled Trading Day in the Knock-out Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-out Determination Period, or (d) each Business Day in the Knock-out Determination Period as specified in the applicable Final Terms or (e) each Commodity Business Day in 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) if SPS Knock-out Valuation is specified as applicable in the applicable Final Terms, the Knock-out Value is, or

(b) if the Notes are Currency Linked Notes and FX Knock-out Valuation is specified as applicable in the applicable Final Terms:

(i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or

(ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is, or

(c) if SPS Knock-out Valuation is specified as not applicable in the applicable Final Terms and, if the Notes are Currency Linked Notes, unless FX Knock-out Valuation is specified as applicable in the applicable Final Terms:

(i) in respect of a single Underlying Reference, that the Level is; or

(ii) 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 and (y) the relevant Weighting is,

(1) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (2) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms (x) on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms;

"**Knock-out Level**" means the FX Knock-out Level or the price, level, 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 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 Index Linked Notes (other than Custom Index Linked Notes), Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes) or a Scheduled Custom Index Business Day (in the case of Custom Index Linked Notes) 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 Linked Notes (other than Custom Index Linked Notes), Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes), a Scheduled Custom Index Business Day (in the case of Custom Index Linked Notes) 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;

"**Knock-out Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Level**" means, for the purposes of this Condition, (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 Linked Notes and ETI Linked Notes, the price of the relevant Underlying Reference, (b) in the case of Index Linked Notes and Custom Index Linked Notes, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Notes the Relevant Price, or (d) in the case of Currency Linked Notes, 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;

"**Payout Conditions**" means the terms and conditions set out in Annex 1 (*Additional Terms and Conditions for Payouts*).

"**Relevant Adjustment Provisions**" means:

(a) in the case of Index Linked Notes, Index Linked Condition 1 (*Market Disruption*) and Index Security Condition 2 (*Adjustments to an Index*);

(b) in the case of Custom Index Linked Notes, Index Linked Condition 6 (*Adjustments to a Custom Index and Custom Index Disruption*);

(c) in the case of Share Linked Notes, Share Linked Condition 1 (*Market Disruption*) and Share Linked Condition 2 (*Potential Adjustment Events and Extraordinary Events*);

(d) in the case of ETI Linked Notes, ETI Linked Condition 2 (*Market Disruption*) and ETI Linked Condition 3 (*Potential Adjustment Events*);

(e) in the case of Commodity Linked Notes, Commodity Linked Condition 1 (*Market Disruption*) and Commodity Linked Condition 2 (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

(f) in the case of Currency Linked Notes, Currency Linked Condition 2 (*Disruption Events*) and Currency Linked Condition 3 (*Consequences of a Disruption Event*); and

(g) in the case of Debt Linked Notes, Debt Linked Condition 2 (*Market Disruption*), Debt Linked Condition 3 (*Correction of Debt Security Price*) and Debt Linked Condition 4 (*Redemption or Cancellation of a Debt Security*); and

"**Underlying Reference**" means, for the purposes of this Condition, each Index, Custom Index, Share, Debt Security, ETI Interest, Commodity, Commodity Index, Subject Currency or other basis of reference to which the relevant Notes relate.

(r) *Automatic Early Redemption*

(A) 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.

Notwithstanding the preceding paragraph, an Automatic Early Redemption Event 1 may only occur on an AER 1 Redemption Valuation Date or in respect of an AER 1 Redemption Valuation Period and an Automatic Early Redemption Event 2 may only occur on an AER 2 Redemption Valuation Date or in respect of an AER 2 Redemption Valuation Period.

(B) Definitions

"**AER Event 1 Underlying(s)**" means the Underlying Reference or each Underlying Reference comprising the Basket of Underlying References, in each case specified as such in the applicable Final Terms;

"**AER Event 2 Underlying(s)**" means the Underlying Reference or each Underlying Reference comprising the Basket of Underlying References, in each case specified as such in the applicable Final Terms;

"**AER Rate**" means the rate specified as such or determined in the manner set out in the applicable Final Terms;

"**Automatic Early Redemption Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Settlement Currency equal to the Automatic Early Redemption Payout set out in the applicable Final Terms or if not set out an amount equal to the product of (i) the Calculation Amount and (ii) the sum of the relevant Automatic Early Redemption Percentage and the relevant AER Rate relating to that Automatic Early Redemption Date. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Note pursuant to this Condition;

"**Automatic Early Redemption Date**" means (i) if Target Automatic Early Redemption, FI Underlying Automatic Early Redemption or FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs, or, otherwise, (ii) 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:

(i) if Target Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Cumulative Coupon is equal to or greater than the Automatic Early Redemption Percentage;

(ii) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms, that:

(1) (in respect of an Underlying Reference (other than a Subject Currency)) the Underlying Reference Level is; or

(2) (in respect of a Subject Currency), the FX Coupon Performance determined by the Calculation Agent is,

(A) equal to or greater than the Automatic Early Redemption Level 1 and (B) less than or equal to the Automatic Early Redemption Level 2;

(iii) if FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case in respect of the Current Interest Period is equal to or greater than the Automatic Early Redemption Percentage; or

(iv) if Standard Automatic Early Redemption and SPS AER Valuation are specified as applicable in the applicable Final Terms, that:

(1) the SPS AER Value 1 in respect of the AER Event 1 Underlying(s) 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 1 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**"); and/or

(2) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms, the SPS AER Value 2 in respect of the AER Event 2 Underlying(s) 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 2 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**");

(v) if Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms and SPS AER Valuation is specified as not applicable in the applicable Final Terms:

(1) (A) if AER Event 1 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 1 or (B) if AER Event 1 Basket is specified as applicable in the applicable Final Terms, the Basket Price 1 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 1 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**"); and/or

(2) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms (A) if AER Event 2 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 2 or (B) if AER Event 2 Basket is specified as applicable in the applicable Final Terms, the Basket Price 2 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 2 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**");

"**Automatic Early Redemption Level**" means the price, level, 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 Level 1**" means the price, level, 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 Level 2**" means the price, level, 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;

"**Automatic Early Redemption Valuation Date**" or "**AER 1 Redemption Valuation Date**" or "**AER 2 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 Linked Notes (other than Custom Index Linked Notes), Share Linked Notes, Debt Linked Notes, Currency Linked Notes or ETI Linked Notes) a Scheduled Custom Index Business Day (in respect of Custom Index Linked Notes), a Commodity Business Day (in respect of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) 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, Fund Business Day or Business Day, as applicable, unless, in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes, Commodity Linked Notes, Currency Linked Notes or ETI Linked Notes, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Linked Notes (other than Custom Index Linked Notes), Share Linked Notes, Debt Linked Notes, Currency Linked Notes or ETI Linked Notes), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Linked Notes) or a Market Disruption Event is occurring on such day (in respect of Commodity Linked Notes). 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 Linked Notes) 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 Linked Notes) 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**" or "**AER 1 Redemption Valuation Period**" or "**AER 2 Redemption Valuation Period**" means the period 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 7(q), the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Securities, Basket of Commodities, or other basis of reference to which the value of the relevant Notes may relate, as specified in the applicable Final Terms;

"**Basket Price 1**" means, in respect of any AER 1 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 1 Underlying comprising the Basket of Underlying References as the product of (a) the Underlying Reference Level 1 of such AER Event 1 Underlying on such AER 1 Redemption Valuation Date and (b) the relevant Weighting;

"**Basket Price 2**" means, in respect of any AER 2 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 2 Underlying comprising the Basket of Underlying References as the product of (a) the Underlying Reference Level 2 of such AER Event 2 Underlying on such AER 2 Redemption Valuation Date and (b) the relevant Weighting;

"**Cumulative Coupon**" means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current Interest Period as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for such Interest Period plus (b) the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for the Current Interest Period;

"**Current Interest Period**" means, in respect of an Automatic Early Redemption Valuation Date, the Interest Period during which such Automatic Early Redemption Valuation Date falls;

"**Multiple Underlying Interest Rate Gearing**" means, in respect of an Underlying Interest $Rate_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"**Multiple Underlying Reference Rate**" means, in respect of an Underlying Interest $Rate_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate;

"**Multiple Underlying Reference Rate Value**" means the value calculated in accordance with the following formula:

$$\sum_{i=1}^{n} \text{Multiple Underlying Interest Rate Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$

"**Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**SPR AER Value**", **SPS AER Value 1**" or "**SPS AER Value 2**" means the value specified from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of this Condition 7(r), each Index, Custom Index, Share, Debt Security, ETI Interest, Commodity, Commodity Index, Subject Currency, Fund or other basis of reference to which the relevant Notes relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest $Rate_{(i)}$ specified as such (together the "Multiple Underlying Interest Rate") will be calculated separately and independently but for the purposes of this Condition 7 and the Underlying Interest Rate Security Conditions shall be deemed to together constitute an Underlying Reference;

"**Underlying Reference Level**" means, in respect of any Automatic Early Redemption Valuation Date, (i) "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms, published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked Notes and ETI Linked Notes, the price of the relevant Underlying Reference, (b) in the case of Index Linked Notes and Custom Index Linked Notes, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Notes, the Relevant Price, or (d) in the

case of Currency Linked Notes, 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), or (e) in the case of an Inflation Index, the Relevant Level or (f) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms and Multiple Underlying Interest Rate is specified as applicable, Multiple Underlying Reference Rate Value, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such Automatic Early Redemption Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Redemption Valuation Date as the "official close" level is published by the Observation Price Source.

"**Underlying Reference Level 1**" means, in respect of any AER 1 Redemption Valuation Date, (i) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked Notes and ETI Linked Notes, the price of the relevant AER Event 1 Underlying, (b) in the case of Index Linked Notes and Custom Index Linked Notes, the level of the relevant AER Event 1 Underlying, (c) in the case of Commodity Linked Notes, the Relevant Price, (d) in the case of Currency Linked Notes, 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), or (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 AER 1 Redemption Valuation Date or (ii) in the case of Debt Linked Notes, the "last price" of the relevant AER Event 1 Underlying published by the Observation Price Source specified for such AER Event 1 Underlying; and

"**Underlying Reference Level 2**" means, in respect of any AER 2 Redemption Valuation Date, (i) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked Notes and ETI Linked Notes, the price of the relevant AER Event 2 Underlying, (b) in the case of Index Linked Notes and Custom Index Linked Notes, the level of the relevant AER Event 2 Underlying, (c) in the case of Commodity Linked Notes, the Relevant Price, (d) in the case of Currency Linked Notes, 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), or (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 AER 2 Redemption Valuation Date or (ii) in the case of Debt Linked Notes, the "last price" of the relevant AER Event 1 Underlying published by the Observation Price Source specified for such AER Event 1 Underlying.

(C) Accrual

Notwithstanding Condition 5(k), if FI Underlying Automatic Early Redemption and Accrual to Automatic Early Redemption are specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs on an Automatic Early Redemption Valuation Date, interest will cease to accrue on such Automatic Early Redemption Valuation Date.

(D) AER Rate Determination

Where the applicable Final Terms specify that the AER Rate is determined by reference to a Screen Rate, the AER Rate 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 AER Reference Rate(s) which appears or appear, as the case may be, on the AER Screen Page (or such replacement page on that service which displays the information) as at the AER Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or 11.00 a.m. Brussels time, in the case of EURIBOR) on the AER Reference Rate Determination Date in question plus or minus (as indicated in the applicable Final Terms) the AER Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the AER 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 AER Screen Page is not available or if, in the case of subparagraph (i), no offered quotation appears or, in the case of subparagraph (ii), fewer than three offered quotations appear, in each case as at the AER 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 AER Reference Rate at approximately the AER Specified Time on the AER Reference Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the AER Rate 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 AER Margin (if any), all as determined by the Calculation Agent.

If on any AER Reference Rate 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 AER Rate 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 AER Specified Time on the relevant AER Reference Rate Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the AER Reference Rate by leading banks in the inter-bank market applicable to the AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER 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 Specified Currency for a period equal to that which would have been used for the AER Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the AER Reference Rate, at which, at approximately the AER Specified Time on the relevant AER Reference Rate 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 AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate

is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER Margin (if any) provided that, if the AER Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Calculation Agent shall determine the AER Rate from such source(s) as it in good faith and in a commercially reasonable manner may select.

If the applicable Final Terms specifies a Minimum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is less than such Minimum AER Reference Rate, the AER Rate shall be such Minimum AER Reference Rate.

If the applicable Final Terms specifies a Maximum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is greater than such Maximum AER Reference Rate, the AER Rate shall be such Maximum AER Reference Rate.

(s) *Condition to Final Payout Premium*

Where "Condition to Final Payout Payment" is specified as applicable in the applicable Final Terms, the obligation of the Issuer to pay a Final Payout Premium as part of the Final Redemption Amount will be subject to the receipt of an aggregate amount equal to the Final Payout Premium payable in respect of each Note outstanding on or prior to the Maturity Date from the Swap Counterparty under the Swap Agreement. In the event that the Swap Counterparty fails to pay an amount under the Swap Agreement or where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Swap Counterparty is the Defaulting Party, the Issuer will have no further obligation to pay an amount equal to the Final Payout Premium in respect of each Note (but without prejudice to the Issuer's obligations to pay an amount equal to the Scheduled Final Redemption Amount and, where applicable, any amounts due under Condition 8(k), less the relevant Final Payout Premium in respect of each Note) and no Event of Default will occur in respect of such non-payment save where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party.

For the purposes of this Condition 7(s):

"**Final Payout Premium**" means, in respect of a Note, a *pro rata* share of an amount equal to the amount by which the Scheduled Final Redemption Amount is greater than the amount which the Issuer is scheduled to receive in respect of the Charged Assets other than the Swap Agreement on maturity or termination of such assets; and

"**Scheduled Final Redemption Amount**" means an amount equal to the scheduled Final Redemption Amount which would have been payable by the Issuer had the Swap Counterparty paid the amounts it was scheduled to pay under the Swap Agreement and/or the Swap Agreement had not terminated prior to the Maturity Date.

(t) *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 amounts payable on the redemption of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which be payable with respect to principal under Condition 6;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) the Instalment Amounts;

(vi) the Automatic Early Redemption Amount (if any) of the Notes;

(vii) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and

(viii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

8. Compartment Assets

(a) *Compartment Assets*

(i) In respect of any Series of Notes, "**Compartment**" shall mean the compartment created by the Board of the Issuer pursuant to the Securitisation Act 2004 under which the Notes are to be issued. Each Compartment will comprise a pool of Issuer assets and liabilities separate from the pools of Issuer assets and liabilities relating to any other Compartments. In respect of any Series of Notes, such assets will consist of the Charged Assets (as defined in Condition 8(c) (*Compartment Security*) below), which Charged Assets may include, *inter alia*, the assets specified in the applicable Final Terms as "Compartment Assets" or "Reference Securities" or where such assets are converted into or exchanged for new assets, such new assets or, in each case any redemption or other proceeds received by the Issuer in respect thereof relating to such exchange or conversion (the "**Compartment Assets**" or "**Reference Securities**").

(ii) Subject to the Trust Deed (but without prejudice to the rights of the Issuer under Condition 7(n) (*Maturity Date Extension*)), in order to meet any part of its obligations under the Notes in respect of (A) any redemption thereof, (B) any Related Agreements, (C) any agreements for the purchase of the Notes or (D) any other payments (if any) due from the Issuer under these Conditions and/or the Trust Deed in relation to the Notes), the Issuer may, at any time, procure the liquidation of some or all of the Compartment Assets.

(iii) In accordance with the Securitisation Act 2004, the Charged Assets are available exclusively to satisfy the rights of the Secured Parties (as defined in Condition 8(e) (*Application of Proceeds*)).

(iv) In connection with the issue of the Notes there may be executed one or more interest rate and/or currency exchange agreements, credit default swap agreements, swap agreements exchanging payment flows on an asset, total return swap agreements, option agreements and/or other derivative transactions (each a "**Swap Agreement**") between the Issuer and one or more swap counterparties (each a "**Swap Counterparty**") and one or more deposit agreements (each a "**Deposit Agreement**") between the Issuer and one or more deposit counterparties (each a "**Deposit Counterparty**") and one or more repurchase agreements (each a "**Repurchase Agreement**") with BNP Paribas or any other entity as specified in the Final Terms (each a "**Repo Counterparty**" and, together with each Swap Counterparty and Deposit Counterparty, each a "**Counterparty**"). In addition, in connection with any issue of Notes, the Issuer and the Swap Counterparty may enter into a credit support annex, credit support deed or pledge or such other security interest governed by the law of such jurisdiction as specified in the applicable Final Terms over collateral in favour of the Issuer in connection with any relevant Swap Agreement (a

"**Credit Support Annex**", a "**Credit Support Deed**" and a "**Pledge**" respectively and, together with the Swap Agreement, the Deposit Agreement and the Repurchase Agreement, the "**Related Agreements**").

(v) Where no reference is made in the applicable Issue Deed to any Swap Agreement, Repurchase Agreement or Deposit Agreement, references in these Terms and Conditions to any such document or agreement and to any Swap Counterparty, Repo Counterparty or Counterparty, as the case may be, shall not be applicable.

(b) *Custodian; Custody Account; Account Bank; Compartment Account*

(i) Each Custody Account (as defined below), together with such Compartment Assets as are capable of being so held, will be held by the Custodian on behalf of the Issuer, and each Compartment Account (as defined below) will be held by the Account Bank, in each case on and subject to (A) the terms and conditions of the Agency Agreement, (B) the Securitisation Act 2004 and (C) in the cases of the Compartment Assets, the Custody Account and the Compartment Account, the terms and conditions of the Compartment Security created pursuant to the Trust Deed and/or any Additional Security Document. The Issuer reserves the right to replace the Custodian at any time, but only with the prior written consent of the Trustee and in accordance with (x) the provisions of the Securitisation Act 2004 and (y) the relevant CSSF instructions and/or guidelines. Notice of such change shall be given to the Noteholders in accordance with Condition 18 (*Notices*). If it is specified in the applicable Final Terms that there is a Sub-Custodian in relation to the Compartment Assets, such Sub-Custodian (which expression shall include any additional or successor sub-custodians from time to time appointed) shall hold such Compartment Assets as are capable of being so held on behalf of the Custodian, on and subject to the terms of an agreement between the Sub-Custodian and the Custodian. References herein to the "**Custodian**" shall, as the context requires, be construed as references to the Custodian, the Sub-Custodian and/or any additional or successor custodians appointed from time to time.

(ii) If the Charged Assets of the Issuer in respect of a Compartment include Compartment Assets, in respect of such Compartment the Custodian (on behalf of the Issuer) shall establish and maintain an account in the name of the Issuer (the "**Custody Account**") with a bank or other financial institution (which shall be the Custodian unless an alternative financial institution is specified in the applicable Final Terms). The Custody Account for the Compartment shall be entirely separate from any other accounts of the Issuer and the Custodian, including, without limitation, the accounts established in connection with any other Compartment(s). Such Compartment Assets shall only be removed from the Custody Account at such times and in such amounts as are contemplated in these Terms and Conditions and the Trust Deed or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Notes, Related Agreements and pursuant to the Trust Deed.

(iii) Where Compartment Account is specified as applicable in the applicable Final Terms, in respect of the relevant Compartment, the Issuer shall establish and maintain an account in the name of the Issuer (the "**Compartment Account**") with a bank or other financial institution (which shall be the financial institution specified in the applicable Final Terms, unless no such financial institution is specified in which case it shall be the Account Bank). The Compartment Account for the Compartment shall be entirely separate from any other accounts of the Issuer and the Account Bank, including, without limitation, the accounts established in connection with any other Compartment(s). Amounts standing to the credit of the Compartment Account shall only be removed from the Compartment Account at such times and in such amounts as are contemplated in these Terms and Conditions and the Trust Deed or in order for the Issuer (or any appointee on its behalf)

and the Trustee (or any receiver) to fulfil their respective obligations under the Notes or Related Agreements and pursuant to the Trust Deed.

(c) *Compartment Security*

(i) The Issuer has (as specified in the Trust Deed relating to the Notes or in another relevant security document relating to the Notes), assigned or created a first fixed charge, and/or other security interest, in each case in favour of the Trustee for itself and as trustee for the Secured Parties, over or in respect of:

(A) the present and future Compartment Assets relating to the relevant Compartment and all of the Issuer's rights, title, interest and benefit, present and future, in respect of sums derived from the present and future Compartment Assets relating to the relevant Compartment (including, without limitation, any proceeds of the sale thereof);

(B) (x) the Issuer's rights, title, interest and benefit, present and future, in, to and under all sums held by the Agents, the Account Bank (including sums standing to the credit of the Compartment Account) and the Custodian to meet payments due in respect of the Notes relating to the relevant Compartment (the "**Cash Assets**"); (y) any sums of money, securities or other property received or receivable by the Issuer under any Related Agreement (including, without limitation, any Swap Agreement, any Deposit Agreement and any Repurchase Agreement) relating to the relevant Compartment; and (z) all of the Issuer's rights, title, interest and benefit, present and future, as against the Custodian in respect of any sum standing to the credit of the Custody Account (as defined in Condition 8(b) (*Custodian; Custody Account, Account Bank; Compartment Account*) relating to the relevant Compartment); and

(C) the Issuer's rights, title, interest and benefit, present and future, in, to and under any Transaction Document (including without limitation any Swap Agreement, any Deposit Agreement and any Repurchase Agreement) and any agreement for the sale, transfer and/or delivery of assets relating to the relevant Compartment (as contemplated under Condition 8(a) (*Compartment Assets*)) and any sums received or receivable by the Issuer under any such agreement.

(ii) If it is stated in the applicable Final Terms that the security for the Notes is "Charged Assets charged to Trustee; additional foreign law security", the Issuer has in the Trust Deed created the security specified in sub-paragraph (i) above and has, in addition and without prejudice to the security specified as aforesaid, executed in favour of the Trustee the pledge or security or other agreement or document specified in the applicable Final Terms (each an "**Additional Security Document**").

(iii) The security described in sub-paragraph (i) and, as the case may be, sub-paragraph (ii) shall be referred to herein as the "**Compartment Security**" and the assets described in sub-paragraph (i) and, as the case may be, sub-paragraph (ii) shall be referred to herein as the "**Charged Assets**".

(d) *General provisions relating to security*

The Compartment Security constituted or created pursuant to the Trust Deed and any Additional Security Document will be granted to the Trustee for itself and for the other Secured Parties (as defined in Condition 8(e) (*Application of Proceeds*) as continuing security for (i) the payment of all sums due to the Trustee or any appointee or any receiver under the Trust Deed and/or any Additional Security Document or due under the Notes, Coupons or Receipts, (ii) the performance of the Issuer's obligations under any Related Agreement (including any Swap Agreement) and (iii)

the payment of all sums payable to the Agents pursuant to any provision of the Agency Agreement (including the provisions which require the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) to the Issuing and Paying Agent or the Registrar for any amount paid out by the Issuing and Paying Agent or the Registrar, as the case may be, to the holders of Notes, Coupons or Receipts before receipt of the corresponding amount due from the Issuer).

(e) *Application of Proceeds*

(i) The Trustee shall (subject to the provisions of the Trust Deed) apply all moneys received by it under the provisions of the Trust Deed and any Additional Security Document in connection with the realisation or enforcement as described in Condition 12 (*Enforcement and Realisation*) of the Compartment Security constituted by or pursuant to the Trust Deed and any Additional Security Document in accordance with the Order of Priority specified in the applicable Final Terms (such amounts being the "**Available Enforcement Proceeds**").

(ii) By subscribing to or otherwise acquiring the Notes, each Noteholder expressly consents to the provisions of this Condition 8(e), the order of priority specified in the applicable Final Terms (the "**Order of Priority**") and the limitation of its rights in accordance with article 64 of the Securitisation Act 2004 and is deemed to have accepted and agreed to such provisions and the consequences thereof. If no Order of Priority is specified in the applicable Final Terms, the Order of Priority shall be Swap Counterparty Priority as set out below.

(iii) If:

(A) "**Swap Counterparty Priority**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Notes (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement relating to the Notes. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment;

(5) fifthly, rateably in meeting the claims (if any) of the holders of Notes, Coupons and Receipts. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(6) sixthly, in payment of the balance (if any) to the Issuer;

(B) "**Pari Passu Ranking**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Notes (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement and the holders of Notes, Coupons and Receipts. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(5) fifthly, in payment of the balance (if any) to the Issuer; and

(C) "**Noteholder Priority**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Notes (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the holders of Notes, Coupons and Receipts. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment;

(5) fifthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro*

rata on the basis of the amount due to each party entitled to such payment; and

(6) sixthly, in payment of the balance (if any) to the Issuer.

"**Secured Parties**" means each of the Trustee, any receiver, the Noteholders, the Swap Counterparty and the Agents (each, a "**Secured Party**").

(f) *Compartment Assets substitution by Swap Counterparty*

Where this Condition 8(f) is specified as being applicable in the Final Terms then the Compartment Assets may be substituted in whole or in part by the Swap Counterparty.

The Swap Counterparty may substitute the Compartment Assets for:

(i) either securities denominated in the currency specified in the Final Terms issued by the entity specified as the eligible collateral issuer (each, an "**Eligible Compartment Assets Issuer**") in the Final Terms ("**Eligible Compartment Assets Issuer Obligations**"); or

(ii) such other securities, obligations or an amount of cash in the currency in which the principal amount of the existing Compartment Assets is expressed to be payable where "**Alternative Substitution**" is specified in the Final Terms.

The new securities, obligations or cash to be substituted must be in a principal amount equal (or, if in another currency, the equivalent to the principal amount of the currency in which the Compartment Assets are expressed to be payable, as determined on the date of such substitution by the Swap Counterparty in its sole discretion) to the then fair market valuation of the Notes as determined by the Swap Counterparty (or, in the case of a substitution or redemption of part only of the Compartment Assets, of the relevant proportion thereof as at the date of such substitution).

The securities, obligations or cash which may be substituted for the Compartment Assets shall be delivered (or paid, in the case of cash) by the Swap Counterparty to the Custodian or such other relevant Counterparty.

By making any substitution pursuant to this Condition 8(f) the Swap Counterparty shall be deemed to agree with the Issuer and the Trustee that its obligations under the relevant Swap Agreement shall continue in full force and effect irrespective of such substitution and that no termination or adjustment to its obligations thereunder shall occur as a consequence of such substitution.

The Trustee shall, upon notice from the Swap Counterparty (upon which the Trustee may rely without further enquiry) that the conditions for substitution referred to in this Condition 8(f) are met, release the Compartment Assets to be substituted from the security created in respect of it under the Trust Deed. The Issuer, the Trustee and the Swap Counterparty will upon such substitution enter into such further documentation as may be required (if at all) by any applicable law and/or as may be required by the Trustee to give effect to the creation of security over any replacement securities, obligations or cash amounts in the manner set out in this Condition 8(f).

References in these Conditions and the Trust Deed to "**Compartment Assets**" shall be deemed to include any substituted Compartment Assets and references to "**Charged Assets**" shall be deemed to include any additional assets or rights charged or assigned in favour of the Trustee pursuant to such substitution.

Where "Substitution Notification" is specified in the applicable Final Terms, the Issuer shall give notice of any substitution to Noteholders under this Condition 8(f) in accordance with Condition 18 (*Notices*) and, in relation to any Notes listed on the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange (or if listed on another stock exchange to such other stock exchange) and will, if required by the rules of the Luxembourg Stock Exchange (or of such other stock

exchange), prepare a supplement to any applicable prospectus or such other documents as may be required.

If this Condition 8(f) is applicable, the Trustee and any Noteholders may at any time require the Issuer to notify them of the composition of the Compartment Assets at such time.

The Swap Counterparty may substitute the Compartment Assets in accordance with this Condition 8(f) without regard to the projected market value of substitute securities or obligations. There is no guarantee that the value of such Compartment Assets in the event of termination of the relevant Swap Agreement, taking into account any termination payment due under such Swap Agreement to or from the Swap Counterparty, will equal or exceed the principal amount of the Notes.

(g) *Compartment Assets substitution under a Credit Support Annex, Credit Support Deed or Pledge*

Where the Issuer and the Swap Counterparty have entered into a Credit Support Annex in respect of any Swap Agreement, then the Compartment Assets may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the Credit Support Annex.

The securities, obligations or cash which may be substituted for the Compartment Assets shall be delivered (or paid, in the case of cash) by the Swap Counterparty to the Custodian (or, where an alternative bank or institution is specified as custodian for the Compartment Assets in the applicable Final Terms, to such entity) or such other relevant Counterparty.

By making any substitution pursuant to this Condition 8(g), the Swap Counterparty shall be deemed to agree with the Issuer and the Trustee that its obligations under the relevant Swap Agreement shall continue in full force and effect irrespective of such substitution and that no termination or adjustment to its obligations thereunder shall occur as a consequence of such substitution.

In the case of Compartment Assets substitution under a Credit Support Annex, the Trustee shall, upon notice from the Swap Counterparty (upon which the Trustee may rely without further enquiry) that the conditions for substitution referred to in this Condition 8(g) are met, release the Compartment Assets to be substituted from the security created in respect of it under the Trust Deed. The Issuer, the Trustee and the Swap Counterparty will upon such substitution enter into such further documentation as may be required (if at all) by any applicable law and/or as may be required by the Trustee to give effect to the creation of security over any replacement securities, obligations or cash amounts in the manner set out in this Condition 8(g).

After any substitution, references in these Conditions and the Trust Deed to "**Compartment Assets**" shall be deemed to include any Compartment Assets substituted and references to "**Charged Assets**" shall be deemed to include any additional assets or rights charged or assigned in favour of the Trustee pursuant to such substitution.

Where substitution of the Compartment Assets takes place in accordance with the terms of any credit support annex, the Issuer shall not be obliged to give notice of any substitution to Noteholders under this Condition 8(g).

If this Condition 8(g) is applicable, the Trustee may at any time require the Issuer to notify it of the composition of the Compartment Assets at such time.

Where the Issuer and the Swap Counterparty have entered into a Credit Support Deed in respect of any Swap Agreement, the collateral secured under the relevant Credit Support Deed may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the relevant Credit Support Deed.

Where the Issuer and the Swap Counterparty have entered into a Pledge in respect of any Swap Agreement, the assets that are the subject of the relevant Pledge may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the relevant Pledge.

The Swap Counterparty may substitute the Compartment Assets in accordance with this Condition 8(g) without regard to the projected market value of substitute securities or obligations. There is no guarantee that the value of such Compartment Assets in the event of termination of the relevant Swap Agreement, taking into account any termination payment due under such Swap Agreement to or from the Swap Counterparty, will equal or exceed the principal amount of the Notes.

(h) *Swap Counterparty optional termination*

Where this Condition 8(h) is specified as being applicable in the Final Terms, the Swap Counterparty may (unless it is the Defaulting Party under, and as defined in, the relevant Swap Agreement) opt to terminate a Swap Agreement in whole or in part in accordance with either or both of the methods set out below (as specified in the Final Terms).

(i) *Call option*:

The Swap Counterparty may opt to terminate a Swap Agreement:

in whole or in part on either:

(A) any Interest Payment Date; or

(B) if so specified in the Final Terms, on any other date,

upon the number of Business Days' notice specified as being applicable in the Final Terms to the Issuer.

Such optional termination will lead to early redemption in whole or in part, as the case may be, of the Notes on the relevant Interest Payment Date (or, if applicable, on such other date) in the manner set out in Condition 7(f) (*Redemption Following Swap Counterparty Optional Termination*).

(ii) *Repurchase*:

The Swap Counterparty may opt to terminate a Swap Agreement upon service of written notice on the Issuer with a copy to the Trustee, in whole or in part and without payment by either party, if any of the Notes to which that transaction relates are purchased by or on behalf of the Swap Counterparty or any of its subsidiaries or affiliates ("**Purchased Notes**"). Where such option is exercised, such Swap Agreement will terminate *pro rata* in the proportion (the "**Proportion**") that the aggregate principal amount of the Purchased Notes bears to the aggregate principal amount of the Notes outstanding immediately prior to the purchase of the Purchased Notes by the Swap Counterparty or any of its subsidiaries or affiliates. Upon service of such notice, the Swap Counterparty will be either (A) authorised by the Issuer to take delivery of and/or deliver and/or realise on the Issuer's behalf the Proportion of the Charged Assets (if any) charged to or otherwise secured in favour of the Trustee under the Trust Deed or (B) entitled to payment of an amount equal to the Proportion of the Charged Assets where the Charged Assets is constituted by cash ("**Realised Collateral**"). The Realised Collateral will be payable or deliverable, as the case may be, by the Issuer to or to the order of the Swap Counterparty, in the contractual currency paid by the Issuer under the relevant Swap Agreement (where the Realised Collateral is not being delivered). Upon receipt of the Realised Collateral, the Swap Counterparty will deliver to the Issuing and Paying Agent the Purchased Notes for cancellation. In such circumstances:

(1) the Issuer will be deemed to have consented to the Trustee releasing the Realised Collateral to the Swap Counterparty upon termination of the relevant Swap Agreement in the manner described in this Condition 8(h);

(2) where relevant, the Swap Counterparty, on behalf of the Issuer, will be deemed to be authorised by the Issuer to realise the Proportion of the Charged Assets; and

(3) the Trustee will, unless an Event of Default or a Potential Event of Default has occurred, be deemed to release the Realised Collateral from the security created in respect of it under the Trust Deed.

(i) *Residual Shortfall*

In the case of Notes (but without prejudice to the rights of a holder of Guaranteed Notes under the Guarantee), if the net proceeds of the realisation or enforcement of the Charged Assets created pursuant to the Trust Deed and/or any Additional Security Document in respect of the Charged Assets following payment of all prior ranking amounts (the "**Net Proceeds**") are not sufficient to make all payments due in respect of such Notes, then:

(i) the obligations of the Issuer in respect of such Notes will be limited to such Net Proceeds and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall have any claim in respect of any asset of the Issuer not forming part of the Charged Assets; and

(ii) the Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any Noteholder's right to receive any further sums in respect of any Residual Shortfall shall be extinguished in full, and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall be entitled to take any further steps against the Issuer or the Trustee to recover any such Residual Shortfall.

No Secured Party nor any party to the Trust Deed shall be entitled to petition or take any other step for the winding-up of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicia1 liquidation (*insolvabilité liquidation volontaire ou judiciaire*,) composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of an examiner in respect of the Issuer (including, without limitation, the appointment of any receiver (*curateur*) (except any receiver appointed by the Trustee pursuant to the Trust Deed), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), deputy judge (*juge délégué)* or reporting judge *(juge commissaire*)). Failure by the Issuer to make any payment in respect of any Residual Shortfall shall in no circumstances constitute an Event of Default under Condition 11 (*Events of Default*).

In this Condition, "**Residual Shortfall**" means the difference, if any, between the Net Proceeds and the aggregate amount which would have been due under the Notes but for the operation of this Condition 8(i).

(j) *Issuer's rights as holder of Compartment Assets*

The Issuer may exercise any rights in its capacity as holder of the Compartment Assets (including, without limitation, a right to vote or any analogous right howsoever described) only with the consent of the Trustee (or as directed in writing by the respective holders of at least 25 per cent. in principal amount of the Notes then outstanding or as directed by an Extraordinary Resolution of the Noteholders) and (except in relation to the Swap Agreement) the Swap Counterparty and, if such direction is given, the Issuer will act in accordance with such directions, unless such instructions are in the reasonable opinion of the Issuer contrary to applicable laws, regulations and/or circular letters issued by the Issuer's supervisory authority or materially detrimental to the

interests of the Issuer. In particular, the Issuer will not attend or vote at any meeting of holders of the Compartment Assets, or give any consent or notification or make any declaration in relation to the Compartment Assets, save with the consent of the Trustee (or as directed in writing by the respective holders of at least 25 per cent. in principal amount of Notes then outstanding or as directed by an Extraordinary Resolution of each of the Noteholders) and the Swap Counterparty. In the event of a conflict between the instructions of the Trustee (or the Noteholders) and the Swap Counterparty, the instructions of the Instructing Party will prevail.

In these Conditions "**Instructing Party**" means if "Swap Counterparty Priority" applies the Swap Counterparty (except in relation to the Swap Agreement, or where it is the Defaulting Party under, and as defined in, the relevant Swap Agreement, in which case the Instructing Party will be the Noteholders) and if either "Noteholder Priority" or "Pari-Passu Ranking" applies, the Noteholders.

(k) *Swap termination*

Notwithstanding the terms of Condition 8(j) (*Issuer's rights as holder of Compartment Assets*), where "**Swap Termination Without Redemption**" is specified as applicable in the applicable Final Terms and where an Event of Default (as defined in the Swap Agreement) occurs under the Swap Agreement in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement), following notification of such Event of Default by the Issuer to the Trustee (a "**Swap Default**"), the Trustee shall promptly, and in any event not later than five Business Days after such notification, instruct the Issuer to deliver, in respect of the Swap Agreement (where such agreement is constituted by a 2002 Master Agreement published by the International Swaps and Derivatives Association, Inc. (the "**Master Agreement**") and schedule thereto and any confirmations thereunder), a notice under Section 6(a) of the Master Agreement designating an Early Termination Date (as defined in the Swap Agreement). In such circumstances, the Issuer (with the consent of the Trustee) may appoint an agent (a "**Termination Agent**") to assist it in terminating the Swap Agreement and making any calculations necessary in connection with such termination. A *pro rata* share of the amount, if any and subject to a minimum of zero, equal to (i) the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement (2) any interest which has accrued on the amount received by the Issuer (which may be a positive or negative amount) and (3) the Unused Charged Assets Proceeds less (ii) the costs and expenses of the Trustee and any costs and expenses of the Termination Agent incurred in connection with the termination of the Swap Agreement shall be paid by the Issuer to the Noteholders on a *pro rata* and *pari passu* basis on the Maturity Date. If the Issuer does not receive the Early Termination Amount on or prior to the Maturity Date, Condition 7(n) will apply. For the purposes of this Condition 8(k), "**Unused Charged Assets Proceeds**" means any amounts received by the Issuer from the Charged Assets other than the Swap Agreement which have not been used on or prior to the Maturity Date to pay interest and/or redemption amounts otherwise payable in respect of the Notes, amounts due to the Swap Counterparty under the Swap Agreement (including in respect of any Early Termination Amount due to the Swap Counterparty) and/or any fees, costs or expenses due to the Trustee and/or any of the Agents.

9. Taxation

All payments in respect of the Notes, Receipts and Coupons or under the 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 authority unless such withholding or deduction is required by law, including, without limitation, 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, official interpretations thereof, or any law implementing an intergovernmental approach thereto, in which case the Issuer or, as the case may be, the Guarantor

shall make all payments net of such withholding or deduction. Such withholding or deduction shall not constitute an Event of Default under Condition 11.

In these Conditions:

"**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

10. Prescription

Bearer Notes (and any relative Receipts and Coupons) and Registered Notes will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 (*Prescription*) or Condition 6 (*Payments*) above.

11. Events of Default

(a) The Trustee at its discretion may (subject as provided in sub-paragraph (b) below), and if so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes of any Series then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall, subject in each case to being indemnified and/or secured to its satisfaction, give notice to the Issuer and the Guarantor (if applicable) that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at an amount equal to (unless otherwise specified in the Final Terms) the Liquidation Proceeds (such occurrence, a "**Note Acceleration**") upon the occurrence of any of the following events (each an "**Event of Default**"):

(i) a default is made for a period of 30 days or more in the payment of any sum due or the delivery of the Entitlement deliverable in respect of the Notes; or

(ii) the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 45 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

(iii) any order is made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*insolvabilité, liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of a receiver of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), deputy judge (*juge délégué)* or reporting judge *(juge commissaire*)) save for

the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(iv) in the case of Guaranteed Notes, the Guarantee ceases to be in full force and effect in respect of the Notes, the Receipts or the Coupons, or notice is given by the Guarantor which would cause the Guarantee to cease to be in full force and effect in respect of such Notes, the Receipts or the Coupons, or is rendered void for any cause or by any means whatsoever or any legislation is introduced the result of which would be to remove the benefit of the Guarantee from the Notes, the Receipts or the Coupons, or terminate or amend the same in a manner (in the opinion of the Trustee) materially adverse to the interests of the Noteholders, the Receiptholders or the Couponholders, or the Guarantor is unable to perform its obligations thereunder for any reason.

(b) The Trust Deed provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default has occurred or is continuing.

12. Enforcement and Realisation

Upon the occurrence of a Note Acceleration under Condition 11 (*Events of Default*), the Compartment Security constituted by or created pursuant to the Trust Deed and any Additional Security Document relating to a Series of Notes and the Compartment to which such Series relates, shall become enforceable. The Trustee may enforce the Compartment Security at any time after it has become enforceable but is only obliged to enforce the Compartment Security if directed to do so by (i) (where the Instructing Party is the Noteholders) either a direction in writing by holders of at least 25 per cent. in principal amount outstanding of the relevant Series of Notes or by an Extraordinary Resolution of the holders of the Notes; or (ii) (where the Instructing Party is the Swap Counterparty) a written direction of the Swap Counterparty. The Trustee or any appointee or receiver appointed thereby may enforce the security by one or more of the following:

(a) endeavouring to sell or otherwise realise the Charged Assets (including, without limitation, by terminating, closing out or enforcing any Related Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Charged Assets) in accordance with the provisions of the Trust Deed; and/or

(b) otherwise enforcing the Compartment Security constituted by or pursuant to the Trust Deed and/or any Additional Security Document, in each case, without any liability as to the consequences of any such action and without having regard to the effect of any such action on individual Noteholders or Couponholders,

provided that the Trustee shall not be required to take any such action without first being indemnified and/or secured to its satisfaction or to do anything which is or may be contrary to any applicable law or regulation.

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Parties.

13. Meetings of Noteholders; Modifications; Waiver; Trustee Determination; Substitution

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders of each Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions or the provisions of the Master Trust Terms and the relevant Issue Deed insofar as the same may apply to such Notes). The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding or, at any adjourned such

meeting, two or more persons being or representing Noteholders, whatever the principal amount of the Notes so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders and holders of Receipts, except that any Extraordinary Resolution proposed to address a Reserved Matter (as defined in the Trust Deed), including (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereof, (ii) to change the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to change the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Final or Early Redemption Amount is shown in the applicable Final Terms, to change any such Minimum and/or Maximum Interest Rate, Instalment Amount, Final Redemption Amount or Early Redemption Amount, (v) to change any method of calculating the Final or Early Redemption Amount or, in the case of Zero Coupon Notes, to vary the method of calculating the Amortised Face Amount, (vi) to change the currency or currencies of payment or denomination of the Notes, (vii) to direct the Trustee to take any steps as specified in the Trust Deed and/or Condition 11 (*Events of Default*), (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or (ix) to modify the definition of Reserved Matter in the Trust Deed, will only be binding if passed at a meeting of the Noteholders, the quorum at which shall be two or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, not less than 25 per cent., in principal amount of the Notes for the time being outstanding. The holder of a global Note representing all (or part) of the Notes for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 90 per cent. (including in the case of a resolution proposed to address a Reserved Matter) in principal amount of the Notes of such Series for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Noteholders.

The provisions of articles 86 to 97 of the Luxembourg Act dated 10th August, 1915 on commercial companies, as amended, shall not apply to the Notes, Receipts and Coupons (if any).

(b) *Modification*

The Trustee may, in respect of each Series, without the consent of the Noteholders or Couponholders, agree to (i) any modification to any Transaction Document or any other agreement to which the Issuer is a party which is of a formal, minor or technical nature or is made to correct a manifest error; (ii) any modification of any of the provisions of the Trust Deed or any other Transaction Document (other than in respect of a Reserved Matter) which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders or (iii) any modification of the provisions of the Trust Deed or any other Transaction Document (other than in respect of a Reserved Matter) which is made to satisfy any requirement of any stock exchange on which the Notes are or are proposed to be listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders.

Notice of such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 18 (*Notices*) unless the Trustee agrees otherwise.

(c) *Waiver*

The Trustee may, in respect of any Series, without the consent of the Noteholders or Couponholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer or (if applicable) the Guarantor of any of the covenants or provisions in the Trust Deed or the Conditions or determine that any

Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee shall not exercise any powers conferred on it by this Condition 13(c) in respect of any Reserved Matter or in contravention of any express direction given by an Extraordinary Resolution of the Noteholders, but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Noteholders or Couponholders of such Series.

Notice of any such waiver, authorisation or determination shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 18 (Notices) unless the Trustee agrees otherwise.

(d) *Trustee determination*

If, in the opinion of the Trustee, any modification, waiver, authorisation or determination referred to in paragraphs (b)(ii) or (iii) and (c) of this Condition 13 affects the interests of the holders of any Series of Notes, the Trustee shall agree to such modification, waiver, authorisation or determination only if either (i) it is satisfied that, in its opinion, the interests of the holders of the relevant Series of Notes will not be materially prejudiced thereby or (ii) the holders of the relevant Series of Notes sanction such modification, waiver, authorisation or determination by way of Extraordinary Resolution, each of (i) and (ii) in accordance with the Conditions of the relevant Series of Notes.

(e) *Substitution*

The Trust Deed contains provisions permitting the Trustee, subject to the further conditions set out in the Trust Deed and such amendment of the Trust Deed and other conditions as the Trustee may require, but without the consent of the holders of the relevant Series of Notes, to agree with the Issuer and the Guarantor (if applicable) to the substitution, in respect of any Series of Notes, in place of the Issuer (or of the previous substitute), as the principal debtor under the Notes of such Series, or, when applicable, the Guarantor, as guarantor of the payment obligations of the Issuer under the relevant Series of Notes, of any other company (such substituted company being hereinafter called the "**Substitute Company**").

Not later than 14 days after the execution of such amendment and compliance with such conditions as aforesaid, the Substitute Company shall give notice thereof in a form previously approved by the Trustee to the relevant Noteholders in the manner provided in Condition 18 (*Notices*).

(f) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall assume that each holder of a Bearer Note is the holder of all Receipts, Coupons and Talons relating to such Bearer Note and shall have regard to the interests of the holders of such Notes or the Coupons, Receipts or Talons relating thereto as a class and shall not have regard to the consequences of such exercise for any particular Noteholder or Couponholder or holder of any Receipt or Talon and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder or holder of any Receipt or Talon be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of such Notes, Coupons, Receipts or Talons.

14. Replacement of Notes, Receipts, Coupons and Talons

Should any Note or (in the case of any Bearer Note) Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer or (if applicable) the Guarantor may

reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

16. Further Notes

The Issuer may from time to time without the consent of the Noteholders (but provided that the Trustee is satisfied that the restrictions set out in this Condition 16 will be complied with, create and issue further securities ("**Further Notes**") having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and issue price) and so that the same shall be consolidated and form a single series with such Notes provided that (unless otherwise approved by an Extraordinary Resolution of the Noteholders):

(i) The Issuer provides additional security for such Further Notes that comprises assets that are fungible with, and have the same proportionate composition as, the Charged Assets in respect of the relevant existing Notes and that has an aggregate principal amount at least equal to the product of (A) the principal amount of such existing security and (B) a fraction, the numerator of which is the aggregate principal amount of the Further Notes and the denominator is the aggregate principal amount of the existing Notes; and

(ii) The Issuer enters into an additional and/or supplemental agreement varying the terms of the relevant Swap Agreement, Repurchase Agreement or Deposit Agreement, as applicable, to take account of the Further Notes on terms no less favourable than those of the Swap Agreement, Repurchase Agreement or Deposit Agreement, as applicable.

Any Further Notes shall be constituted and secured by a supplemental trust deed and the Notes and the Further Notes shall be secured by the same Charged Assets. References in these Conditions to "**Notes**" and "**Charged Assets**" shall be construed accordingly.

17. Removal, Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the appointment, retirement and removal of the Trustee. The Issuer shall as soon as practicable after the appointment of a new trustee notify the Noteholders of such appointment in accordance with Condition 18 (Notices).

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Compartment Assets or for the value, validity, sufficiency and enforceability (which the Trustee has not investigated) of the Compartment Security created over the Charged Assets. The Trustee is not obliged to take any action under the Trust Deed, the Notes or otherwise unless indemnified and/or secured to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, the Guarantor, any issuer or guarantor (where applicable) of any of the Charged Assets any party other than the Issuer under a Related Agreement (including, without limitation, the Swap Counterparty), or any of their subsidiary, holding or associated companies without accounting to the Noteholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value (as appropriate) of the Charged Assets from any obligation to insure or to procure the insuring of the Charged Assets (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Charged Assets are held in an account with a clearing agent in accordance with that relevant clearing agent's rules or otherwise held in safe custody by the Custodian or any custodian whether or not selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by (i) the Issuer of its own obligations and (ii) any other person of their obligations to the Issuer.

For the purposes of this Condition 17, each of the Issuer and, as the case may be, the Guarantor expressly accepts and confirms, for the purposes of articles 1278 and 1281 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under and made in accordance with the provisions of the Trust Deed or any agreement referred to therein to which the Issuer and, as the case may be, the Guarantor are party, any security created or guarantee given under the Trust Deed shall be reserved for the benefit of the new trustee (for itself and for the benefit of each other Secured Party).

18. Notices

All notices regarding the Notes shall be valid if: (a) in the case of Notes represented by a Global Note, delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes; (b) so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of such stock exchange or relevant authority so require, in accordance with such rules; or (c) in the case of Registered Notes if sent by first class mail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register. If and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, and so long as the Luxembourg Stock Exchange so require, notices shall be made available on the Luxembourg Stock Exchange's website, www.bourse.lu. Any such notice shall be deemed to have been given on the Business Day on which such delivery takes place or, if earlier, the date of such publication, or, if published more than once, on the date of the first such publication.

If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Issuing and Paying Agent or the Registrar (as applicable) via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Issuing and Paying Agent or the Registrar (as applicable) and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

19. Redenomination

(a) *Redenomination*

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Trustee, the Receiptholders and the Couponholders, on giving prior notice to the Issuing and Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 18 (Notices), 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:

(i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Issuing and 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 Issuing and Paying Agent of such deemed amendments;

(ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Noteholder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(iii) 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 Issuing and Paying Agent may approve) euro 0.01 and such other denominations as the Issuing and Paying Agent shall determine and notify to the Noteholders;

(iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Issuing and Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, 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;

(vi) 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;

(vii) if the Notes are Floating Rate Notes, the Calculation Agent will determine (acting in good faith and in a commercially reasonably manner) any relevant changes to the provisions

relating to interest and the Issuer will notify Noteholders thereof in accordance with Condition 18; and

(viii) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Issuing and Paying Agent and the Trustee, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

Notwithstanding the foregoing, none of the Issuer, the Guarantor (if any), the Calculation Agent, the Issuing and Paying Agent and the Trustee shall be liable to any Noteholder 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.

(b) *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 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;

"**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 (a) 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.

20. Contracts (Rights of Third Parties) Act 1999

The Notes shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which may exist or is available apart from that Act.

21. Governing Law and Submission to Jurisdiction

The Master Trust Terms and the Issue Deed (save to the extent that the Master Trust Terms and/or the Issue Deed relates to security interests created over assets located or deemed to be located in Luxembourg), the Agency Agreement, the Notes, the Receipts and the Coupons (and any non-contractual obligations arising out of or in connection with such documents) are (or, as the case may be, shall be) governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to non-contractual obligations arising out of such Notes, Receipts and/or Coupons) and accordingly any suit, action or proceedings arising out of or in connection with the Notes, the Receipts and the Coupons may be brought in such courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in

connection with the Notes, the Receipts and the Coupons (including Proceedings relating to any non-contractual obligations arising out of or in connection with such Notes, Receipts and/or Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

The Issuer appoints BNP Paribas, London Branch, of 10 Harewood Avenue, London NW1 6AA (Attention: the Loan Administration Department), as its agent for service of process, and undertakes that, in the event of BNP Paribas, London Branch ceasing so to act or ceasing to be registered in England, it will appoint, subject to the prior written approval of the Trustee, another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

The Issuer has in the Trust Deed submitted to the jurisdiction of the English courts and has appointed an agent for service of process in terms substantially similar to those set out above.

TERMS AND CONDITIONS OF THE WARRANTS

*The following are the Terms and Conditions of the Warrants, which will include the additional terms and conditions for payouts for Securities contained in Annex 1, Annex 2 in the case of Index Linked Warrants, Annex 3 in the case of Share Linked Warrants, Annex 4 in the case of Debt Linked Warrants, Annex 5 in the case of Commodity Linked Warrants, Annex 6 in the case of Inflation Linked Warrants, Annex 7 in the case of Currency Linked Warrants, Annex 8 in the case of Fund Linked Warrants, Annex 9 in the case of Underlying Interest Rate Linked Warrants and Annex 11 in the case of ETI Linked Warrants or any other Annex (each an "**Annex**" and together the "**Annexes**" which may be added from time to time) which will be incorporated by reference into each Global Warrant.*

*The Terms and Conditions of any Warrants will be completed either by the applicable Final Terms or, in circumstances where Warrants are not issued on the basis of this Base Prospectus, by issue specific terms prepared in accordance with any such issue ("**Issue Specific Terms**"). Where the Terms and Conditions of any Warrants are completed by Issue Specific Terms, references herein and in the Annexes to the "Final Terms" shall be deemed to be references to the "Issue Specific Terms" relating to such Warrants.*

The applicable Final Terms or Issue Specific Terms (or the relevant provisions thereof) will be endorsed on, attached to or incorporated by reference in, each permanent global Warrant. Reference should be made to the section headed "Applicable Warrant Final Terms" above for a description of the content of Final Terms or Issue Specific Terms, as the case may be, which will specify which of such terms is to apply in relation to the relevant Warrants.

This Warrant is one of a Series (as defined below) of Warrants issued by SecurAsset S.A. (the "**Issuer**"), a regulated securitisation undertaking within the meaning of the Luxembourg Act dated 22 March 2004 on securitisation, as amended (the "**Securitisation Act 2004**", which term shall include such act as modified, amended or re-enacted from time to time), constituted and secured by relevant issue deed dated the date of issue of the Warrants (the "**Issue Date**") between, *inter alia*, the Issuer, the Trustee and the persons specified therein as a Swap Counterparty and/or Deposit Counterparty and/or Repo Counterparty (each as defined in Condition 9 (*Compartment Assets*)) (the "**Issue Deed**") which incorporates master trust terms between the Issuer and BNP Paribas Trust Corporation UK Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)) as trustee for the Warrantholders (as defined below) (the "**Master Trust Terms**", together with the Issue Deed, the "**Trust Deed**")). References herein to the "Issuer" shall include the Substitute Company as defined in Condition 14(e) (*Substitution*), in the case of any substitution of the Issuer in accordance with that Condition.

References herein to the Warrants shall be references to the Warrants of this Series and shall mean:

(a) Warrants held by a Common Depositary on behalf of Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or Euroclear Bank S.A./N.V. ("**Euroclear**"), and/or any other relevant clearing system ("**Clearing System Warrants**") constituted by a clearing system global warrant (a "**Clearing System Global Warrant**"); and

(b) any global Warrant in registered form ("**Registered Global Warrant(s)**" and, together with a Clearing System Global Warrant, each a "**Global Warrant**").

The Warrants have the benefit of an agency agreement dated 6 February 2009, as most recently amended and restated on 27 November 2015 (the "**Agency Agreement**", which expression includes the same as it may be modified and/or supplemented and/or restated from time to time) and made between, *inter alia*, the Issuer, the Trustee, BNP Paribas Arbitrage S.N.C. as calculation agent (the "**Calculation Agent**"), which expression shall include any additional or successor calculation agents specified in the applicable Final Terms), BNP Paribas Securities Services, Luxembourg Branch as account bank (where specified in the applicable Final Terms) (the "**Account Bank**"), BNP Paribas Securities Services, Luxembourg Branch as principal warrant and certificate agent, registrar and, where specified in the Final Terms, custodian and

cash manager (the "**Principal Warrant and Certificate Agent**", the "**Registrar**", the "**Custodian**" and the "**Cash Manager**" respectively, which expressions shall include, in each case, any additional, alternative or successor agents specified in the applicable Final Terms) and the other warrant and certificate agents named therein (together with the Principal Warrant and Certificate Agent and the Registrar, the "**Warrant and Certificate Agents**", which expression shall include any additional or successor warrant and certificate agents). The Warrant and Certificate Agents, the Calculation Agent, the Cash Manager and the Custodian shall be referred to collectively herein as the "**Agents**". The Warrants, the Trust Deed, the Agency Agreement (together with any supplements thereto), the Dealer Agreement and any other Related Agreements are together referred to as the "**Transaction Documents**".

The Trustee acts for the benefit of the holders for the time being of the Warrants which expression shall mean, in the case of Clearing System Global Warrants, the Warrantholders and, in the case of Registered Global Warrants, the persons in whose name the Warrants are registered, and shall, in relation to any Warrants represented by a Global Warrant, be construed as provided in Condition 1 below. The Trustee also holds the Compartment Security granted by the Issuer for itself and the other Secured Parties (as defined below).

Any reference herein to "**Euroclear**" and/or "**Clearstream, Luxembourg**" (each term as defined above) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms, approved by the Issuer, the Guarantor (if applicable), the Trustee, the Principal Warrant and Certificate Agent, the Registrar (in the case of warrants in registered form ("**Registered Warrants**") only) and, in the case of Warrants listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange.

The Final Terms for this Warrant (or other relevant provisions thereof) are set out in the Final Terms that are endorsed on, attached to or incorporated by reference in this Warrant and which complete these terms and conditions (the "**Terms and Conditions**" or the "**Conditions**").

As used herein, "**Tranche**" means Warrants which are identical in all respects and "**Series**" means a Tranche of Warrants together with any further Tranche or Tranches of Warrants which are (a) expressed to be consolidated and form a single series with the original Tranche and (b) identical in all respects except for their respective Issue Date and/or Issue Prices, as applicable.

Copies of the Master Trust Terms and the Agency Agreement are available for inspection by Warrantholders during normal business hours from the specified offices of the Warrant and Certificate Agents. Copies of the applicable Final Terms are available for viewing by Warrantholders at www.bourse.lu and copies may be obtained from the specified office of the Principal Warrant and Certificate Agent save that, if this Warrant is a Private Placement Warrant (as defined below) which has not been offered to the public in Luxembourg, the applicable Final Terms will only be obtainable by a Warrantholder holding one or more such Warrants and such Warrantholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Warrant and Certificate Agent as to its holding of such Warrants and identity. The Warrantholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (as such term is defined in the Master Trust Terms).

By subscribing to, or otherwise acquiring, the Warrants, each Warrantholder expressly acknowledges and agrees that:

(a) the Issuer (i) is subject to the Securitisation Act 2004 and (ii) in connection with the Warrants has created a specific Compartment, which Compartment shall be identified by the number and/or name ascribed to it in the applicable Final Terms, to which all assets, rights, claims and agreements relating to the Warrants will be allocated;

(b) the provisions with respect to the Order of Priority specified in the applicable Final Terms will apply;

(c) all payments to be made by the Issuer in respect of the Warrants and the related Swap Agreement (if any) will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Charged Assets and, following a Warrant Acceleration in respect of the Warrant, the entitlement of the Warrantholder will be limited to such Warrantholder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms and not to the assets allocated to other compartments created by the Issuer or to any other assets of the Issuer and, in the case of Guaranteed Warrants, sums obtained on its behalf by the Trustee, making a claim under the Guarantee, subject to the terms set out in the applicable Final Terms and the relevant provisions of the Guarantee;

(d) once all moneys received by the Trustee in connection with the enforcement of the Compartment Security over the Charged Assets have been applied in accordance with the Order of Priority set out in the applicable Final Terms and in the Master Trust Terms, it is not entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished;

(e) it shall have no right to attach or otherwise seize the Charged Assets (subject as provided above), or any other assets of the Issuer, including, without limitation, any assets allocated to any other compartments of the Issuer; and

(f) no Warrantholder shall be entitled to petition or take any other step for the liquidation, winding-up or the bankruptcy of the Issuer or any similar proceedings.

Words and expressions defined in the Master Trust Terms or 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, and provided that, in the event of any inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

Warrants may not be exercised, and the securities may not be delivered upon exercise, in the United States or to, or for the account of or benefit of a U.S. Person as defined in Regulation S.

1. Type, title and transfer

(a) Type

The Warrants relate to a specified Index or Basket of Indices ("**Index Linked Warrants**"), a specified Share (including a specified depositary receipt (a "**GDR/ADR**")) or Basket of Shares or a basket of GDRs and/or ADRs ("**Share Linked Warrants**"), a specified debt security or basket of debt securities ("**Debt Linked Warrants**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Linked Warrants**"), a specified inflation index or basket of inflation Indices ("**Inflation Linked Warrants**"), a specified currency or basket of currencies ("**Currency Linked Warrants**"), a specified fund share or unit or basket of fund shares or units ("**Fund Linked Warrants**"), underlying interest rate linked warrants ("**Underlying Interest Rate Linked Warrants**"), 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 benefit of interests in exchange traded instruments ("**ETI Linked Warrants**") or any other or further type of warrants as is specified in the applicable Final Terms including Warrants which relate to any combination of such indices, shares, debt securities, commodities, inflation indices, currencies, fund shares or units, underlying interest rates and other asset classes or types ("**Hybrid Warrants**"). Warrants related to a specified commodity or commodity index or basket of commodities or commodity indices, a specified inflation index or basket of inflation indices, specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified interest rate or basket of interest rates, specified exchange traded instruments or Hybrid

Warrants related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, settled, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the Securities Act or that are not Non-United States Persons as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended.

If the Warrants are Hybrid Warrants and Hybrid Warrants is specified as applicable in the applicable Final Terms, the terms and conditions of the Warrants 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. "**Hybrid Business Day**" has the meaning given to such term in the applicable Final Terms.

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**"), European style Warrants ("**European Style Warrants**") or Registered Warrants and, 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**") 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. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state, amongst other details, the relevant Averaging Dates.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to (i) Physical Delivery Warrants, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Warrant pursuant to Condition 4(e)(i) and where settlement is to be by way of cash payment, and (ii) Physical Delivery Warrants where settlement is to be automatically varied to be by way of a cash payment pursuant to Condition 4(e)(i). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants 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 Warrant pursuant to Condition 4(e)(i) and where settlement is to be by way of physical delivery.

Warrants may, if specified in the applicable Final Terms, allow Warrantholders to elect for settlement by way of cash payment or by way of physical delivery or by way of a combination of cash payment and physical delivery. Those Warrants where the relevant Warrantholder has elected for cash payment will be Cash Settled Warrants and those Warrants where the relevant Warrantholder has elected for physical delivery will be Physical Delivery Warrants. The rights of a Warrantholder 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 Condition 4(f).

(b) *Title to Warrants*

In the case of Warrants represented by a Clearing System Global Warrant held by a Common Depository on behalf of a relevant Clearing System, each person who is for the time being shown in the records of the relevant Clearing System as the holder of a particular amount of such Warrants (in which regard any certificate or other document issued by the relevant Clearing System as to the amount of Warrants standing to the account of any person shall be conclusive and

binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Guarantor, if any, and the relevant Warrant and Certificate Agent as the Warrantholder of such amount of Warrants for all purposes (and the expressions "**Warrantholder**" and "**Holder of Warrants**" and related expressions shall be construed accordingly).

(c) *Title to Registered Warrants*

In the case of Registered Warrants, the Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all Warrantholders, the amount and type of the Warrants held by each Warrantholder and details of all transfers of the Warrants. Each person who is for the time being shown in the Register as the holder of a particular amount of Warrants (each a "**Warrantholder**") shall (except as otherwise required by law) be treated as the absolute owner of such amount of Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(d) *Transfers of Interests in Global Warrants*

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5.

Subject as set forth in this Condition, all transactions (including permitted transfers of Warrants) in the open market or otherwise must be effected, in the case of Clearing System Warrants, subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System.

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or any other relevant Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee, the Registrar, the Issuing and Paying Agent, the Principal Warrant and Certificate Agent and Warrant and Certificate Agent from time to time and notified to the relevant Warrantholders in accordance with Condition 17.

(i) *Transfers of Clearing System Warrants*

(A) Transfers of Warrants to a person who takes delivery in the form of Warrants represented by a Global Warrant may be made only in accordance with the following provisions:

(1) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Global Warrant, from a Holder of Warrants represented by a Global Warrant, to a non-U.S. person in an Offshore Transaction as defined in Regulation S pursuant to Regulation S; and

(2) in each case, in accordance with any applicable rules and regulations of the Principal Warrant and Certificate Agent and the relevant Clearing System.

(B) The Warrantholder must send a free of payment instruction to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect.

(C) Separate payment arrangements are required to be made between the transferor and the transferee.

(D) On the transfer date:

(1) the relevant Clearing System will debit the account of its participant; and

(2) the relevant Clearing System or the Warrantholder, as the case may be, will instruct the Principal Warrant and Certificate Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant.

(E) Upon any such transfers, on the transfer date the Principal Warrant and Certificate Agent, will increase or decrease, if appropriate, the number of Warrants represented by the relevant Global Warrant, whereupon the number of Warrants represented by such Global Warrant shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.

(ii) *Transfer of Registered Warrants*

Title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 3 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Warrantholder of the Registered Warrant specified in the form of transfer.

Warrantholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum determined by the Calculation Agent sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

2. Status of the Warrants; Guaranteed Warrants

(a) *Status of the Warrants*

The Warrants are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, which are secured in the manner described in Condition 9 and recourse in respect of which is limited in the manner described in Condition 9.

(b) *Guaranteed Warrants*

If the Warrants are "**Guaranteed Warrants**" as specified in the applicable Final Terms, and subject to the satisfaction of the conditions set out therein and in the relevant provisions of the Trust Deed applicable to such Warrants, the payment obligations of the Issuer in respect of such Guaranteed Warrants will have the benefit of a guarantee (the "**Guarantee**") in favour of the Trustee (for itself, and as trustee for holders of such Guaranteed Warrants) made by BNP Paribas

or, in respect of Warrants with an issue price of at least €100,000 only, Banca Nazionale del Lavoro S.p.A. (in such capacity, each the "**Guarantor**").

The Guarantee (if applicable) constitutes an unsecured, unsubordinated and general obligation of the Guarantor and ranks and will rank (i) *pari passu* with all other existing and future unsecured, unsubordinated and general obligations of the Guarantor, but excluding any debts for the time being preferred by law, and (ii) senior to any subordinated obligations.

(c) *Subrogation of the Guarantor*

Under the Guarantee, the Guarantor will be subrogated to any rights of the holders of the Guaranteed Warrants and the Trustee against the Issuer to the fullest extent permitted by applicable law and to the extent of such payment in respect of amounts due in respect of the Warrants which have been paid by the Guarantor under the Guarantee.

3. Restrictions

(a) The Issuer has covenanted in the Trust Deed that, inter alia, so long as any of the Warrants remains outstanding, it will not, without the prior written consent of the Trustee:

(i) engage in any activity or do anything whatsoever, except:

(A) issue instruments which are subject to the Securitisation Act 2004 and the enforcement and limited recourse provisions of the Trust Deed or any other relevant agreement ("**Permitted Instruments**", provided that such term shall include, without limitation, Related Agreements, notes, certificates, Warrants and Further Warrants (as defined below));

(B) otherwise incur indebtedness (any such indebtedness, "**Permitted Indebtedness**") in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is subject to, and in compliance with, the Securitisation Act 2004 and/or is secured on assets or other property which are not part of the Charged Assets and on terms which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets or property on which such indebtedness is secured;

(C) enter into any deed or agreement of any kind related to any Permitted Instrument or Permitted Indebtedness, but provided always that any such deed or agreement is entered into on terms that the obligations of the Issuer thereunder relate to a compartment of specified assets of the Issuer (other than its share capital) which does not form part of the Charged Assets and on terms which provide for extinguishment of all claims in respect of such obligations after application of the assets on which such indebtedness is secured*;*

(D) acquire, or enter into any agreement constituting, the collateral in respect of any Permitted Instrument or the assets securing any Permitted Indebtedness to enable it to discharge its obligations under such Permitted Instrument or Permitted Indebtedness;

(E) perform its obligations under each Permitted Instrument or Permitted Indebtedness, or any deed or agreement incidental to the issue and constitution of, or the granting of security for, any Permitted Instrument or Permitted Indebtedness;

(F) enforce any of its rights whether under any deed or agreement entered into in relation to any Permitted Instrument or Permitted Indebtedness;

(G) perform any act incidental to or necessary in connection with any of the above; or

(H) as permitted by the Conditions;

(ii) have any subsidiaries;

(iii) have any employees;

(iv) dispose of any of its property or other assets or any part thereof or interest therein (subject (A) to this subparagraph (a) and (B) as provided in the terms and conditions relating to any Permitted Instrument or the terms and conditions relating to any Permitted Indebtedness);

(v) issue any further fungible Warrants unless the trustee and/or guarantor thereof is the same person as, respectively, the Trustee and/or, as the case may be, the Guarantor for the Warrants;

(vi) pay any dividend or make any other distribution to its members;

(vii) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;

(viii) pledge its assets for the benefit of any other entity or make any loans or advances to any entity (other than in connection with or in respect of Permitted Instruments and Permitted Indebtedness); or

(ix) consolidate or merge with any other person.

(b) The Issuer has covenanted in the Trust Deed that, inter alia, save with the prior written consent of the Trustee, the Issuer shall, so long as any of the Warrants remains outstanding:

(i) maintain proper books and records, accounts and financial statements for each Compartment and for the Issuer;

(ii) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);

(iii) notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default or the proposed mandatory cancellation of any Warrant;

(iv) provide the Trustee with certain certificates within specified timeframes that no Event of Default or Potential Event of Default has occurred since the Certification Date of the last certificate or the date of the Trust Deed, or, if such an event has occurred, giving details of it;

(v) for each Series send to the Trustee at least 48 hours (if practicable) before it is to be issued the form of each notice to be given to the Warrantholders and, once given, two copies of each such notice;

(vi) forthwith upon request by the Trustee give notice to the Warrantholders of any Series of any unconditional payment to the Principal Warrant and Certificate Agent or the Trustee of any sum due in respect of the Warrants of such Series made after the due date for such payment;

(vii) in relation to each Series:

(A) comply and procure that each of the parties thereto complies with its obligations under the Agency Agreement, any Swap Agreement, any Deposit Agreement or any Repurchase Agreement; and

(B) procure that any Swap Counterparty gives the Trustee notice of any substitution of the Compartment Assets with substitute securities or cash substitute in accordance with the terms of Condition 9(f);

(viii) not commingle its assets with those of any other entity; and

(ix) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations).

4. Exercise Rights

(a) *American Style Warrants*

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

"**Exercise Business Day**" means:

(i) in the case of Cash Settled Warrants, a day that is a Business Day; and

(ii) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day.

(A) *Clearing System Warrants*

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System:

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 5, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, 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 5(g) 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 relevant Clearing System, and the copy thereof is received by the Principal Warrant and Certificate Agent 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 relevant Clearing System or if the copy thereof is received by the Principal Warrant and Certificate Agent, 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 5 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (x) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (y) 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) *Registered Warrants*

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 has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg 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 with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 5(g) shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Luxembourg time, to the Registrar and a copy thereof so received by the Principal Warrant and Certificate Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Luxembourg time, on the Expiration Date, the Expiration Date is referred to herein as the "Actual Exercise Date". If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Warrant and Certificate Agent, in each case, after 10.00 a.m., Luxembourg time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next 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 received in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg time, on the Expiration Date shall (A) if (x) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (y) 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.

(A) *Clearing System Warrants*

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System:

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 5, 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 Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 5(g) shall apply.

(B) *Registered Warrants*

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 5, at or prior to 10.00 a.m., Luxembourg 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 with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 5(g) shall apply.

(c) *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, in the case of Warrants represented by a Global Warrant, to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Cash Settlement Amount.

The "**Cash Settlement Amount**" shall be an amount (which may never be less than zero) to which the Holder of Warrants 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, equal to the Final Payout specified in the applicable Final Terms.

The Cash Settlement Amount (if any) 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, provided that:

(a) if Rounding Convention 1 is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall be calculated using a maximum of four decimal places (with 0.00005 being rounded upwards) and shall be rounded to the second decimal place (with 0.005 being rounded upwards); or

(b) if Rounding Convention 2 is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall not be subject to rounding but Securities of the same Series held by the same Holder of Warrants will be aggregated for the purpose of determining the aggregate Cash Settlement Amount in respect of such Warrants and the aggregate of such Cash Settlement Amounts will be rounded down to the nearest whole sub-unit of the Settlement Currency in such manner as the Calculation Agent shall determine,

provided that if the product of the Final Payout is zero, no amount shall be payable in respect of the relevant Warrant (and such Warrant shall expire worthless).

If the Cash Settlement Amount is not an amount in the Settlement Currency, if specified in the applicable Final Terms it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;

(d) *Physical Settlement*

(i) Exercise Rights in relation to Physical Delivery Warrants

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, in the case of Warrants represented by a Global Warrant, 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 Warrantholder 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 Warrantholder 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 Linked Warrant 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 Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in Condition 5.

(ii) Physical Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement in 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, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Calculation Agent may require in good faith and in a commercially reasonable manner that the Issuer will satisfy its obligations in respect of the relevant Warrant or 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 shall be such day as the Calculation Agent 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 for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. 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, acting in good faith and in a commercially reasonable manner, the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder 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 Calculation Agent may elect in good faith and in a commercially reasonable manner that the Issuer will satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Warrantholder 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 Warrantholders in accordance with Condition 17. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantholder in accordance with Condition 17. The Calculation Agent shall give notice as soon as practicable to the Warrantholder in accordance with Condition 17 that a Settlement Disruption Event has occurred. No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or 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**" in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or 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 Relevant Assets), less the cost to the Swap Counterparty and/or its Affiliates of unwinding the Swap Agreement and any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, plus, 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**" in respect of each Warrant, has the meaning specified in the applicable Final Terms relating to such Warrant; and

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, 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.

(e) *Variation of Settlement*

(i) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these Terms and Conditions, the Issuer may (if it has received a notification from the Swap Counterparty that the Swap Counterparty intends to vary settlement under the related Swap Agreement or the Calculation Agent determines that the Issuer should so vary settlement) in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, elect not to pay the relevant Warrantholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantholders, 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 to the relevant Warrantholders, as the case may be. Notification of such election will be given to Warrantholders in accordance with Condition 17.

(ii) If specified in the applicable Final Terms, following a valid exercise of Warrants in accordance with these Conditions, the Issuer shall (if it has received a notification from the Swap Counterparty that the Swap Counterparty intends to vary settlement under the related Swap Agreement or the Calculation Agent determines that the Issuer should so vary settlement), in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Warrantholders, make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders.

(f) *Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*

Following a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in good faith and in a commercially reasonable manner in respect of such Warrants, if the Calculation Agent determines (in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares which are not freely tradeable, 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 good faith and in a commercially reasonable manner) of such other shares which the Calculation Agent determines, in good faith and in a commercially reasonable manner, are freely tradeable (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 Warrantholder**s**, but in lieu thereof to make payment to the relevant Warrantholders 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 good faith and in a commercially reasonable

manner by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Warrantholders in accordance with Condition 17.

For purposes hereof, a "**freely tradeable**" share shall mean (i) with respect to the United States, a share 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 and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradeable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in good faith and in a commercially reasonable manner or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction.

(g) *FX Settlement Disruption Event*

If the Settlement Currency specified in the applicable Final Terms is a Relevant Currency, FX Settlement Disruption will apply, and:

(A) if, on the second Business Day prior to the Disrupted Payment Date, the Calculation Agent (in good faith and in a commercially reasonable manner) determines that a FX Settlement Disruption Event has occurred and is subsisting, the Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the Warrantholders in accordance with Condition 17 as soon as reasonably practicable thereafter and, in any event, prior to the relevant Disrupted Payment Date;

(B) following the occurrence of a FX Settlement Disruption Event:

(1) 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 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 Settlement Date; and

(2) (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, (ii) 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 (C) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (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;

(C) if sub-paragraph 0(ii) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate in good faith and in a commercially reasonable manner in accordance with the following procedures:

(1) 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

(2) 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 acting in good faith and in a commercially reasonable manner;

(D) this Condition 4(g) shall not apply to Dual Currency Linked Interest Warrants;

(E) 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(g), and no additional interest will be paid in respect of any postponement of the date for payment;

(F) for the avoidance of doubt, nothing contained in this Condition 4(g) 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 8(e) shall prevail in the event of any conflict between this Condition 4(g) and Condition 8(e).

(G) For these purposes:

"**Disrupted Amount**" means the relevant Interest Amount, Final Settlement Amount or such other amount payable (if any);

"**Disrupted Payment Date**" means the due date for payment of the relevant Interest Amount, Final Settlement Amount or such other amount payable (if any);

"**FX Settlement Disruption Currency**" means US dollars ("**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 (C) 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 good faith and in a commercially reasonable manner; 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**"), Ghanian 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**").

(h) *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.

None of the Issuer, the Guarantor (if applicable), the Calculation Agent, the Trustee, the Swap Counterparty and any Warrant and Certificate 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 Warrants does not confer on any Warrantholder of such Warrants any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

5. Exercise Procedure

(a) *Exercise Notice in respect of Clearing System Warrants*

Subject as provided in Condition 5(g), Warrants represented by a Clearing Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System and the relevant Warrant and Certificate Agents during normal office hours) to the relevant Clearing System, with a copy to the Principal Warrant and Certificate Agent in accordance with the provisions set out in Condition 4 and this Condition.

(i) In the case of Cash Settled Warrants, the Exercise Notice shall:

(A) 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;

(B) specify the number of the Warrantholder's securities account at the relevant Clearing System to be debited with the Warrants;

(C) irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Warrantholder's securities account with the Warrants being exercised;

(D) specify the number of the Warrantholder's account at the relevant Clearing System to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

(E) include an undertaking to pay all Exercise Expenses, and an authority to the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account at the relevant Clearing System;

(F) certify, in the case of Warrants represented by a Global Warrant 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 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 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

(G) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(ii) In the case of Physical Delivery Warrants, the Exercise Notice shall:

(A) 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;

(B) specify the number of the Warrantholder's securities account at the relevant Clearing System to be debited with the Warrants being exercised;

(C) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System to debit on or before the Settlement Date the Warrantholder's securities account with the Warrants being exercised or Units, as the case may be, being exercised;

(D) irrevocably instruct the relevant Clearing System to debit on the Actual Exercise Date a specified account with such Clearing System with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);

(E) include an undertaking to pay all Exercise Expenses and in the case of Warrants represented by a Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, an authority to the relevant Clearing System to debit a specified account at the relevant Clearing System and to pay such Exercise Expenses;

(F) include such details as may be required by the relevant Clearing System and/or the Principal Warrant and Certificate Agent 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 specify the name and the number of the Warrantholder's account with the relevant Clearing System 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 Cash Settlement Price, as applicable, or as a result of the Issuer (following a

notification to such effect from the Calculation Agent) electing to pay the Alternate Cash Amount;

(G) in the case of Currency Linked Warrants only, specify the number of the Warrantholder's account at the relevant Clearing System to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;

(H) certify, in the case of Warrants represented by a Global Warrant 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 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 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 may reasonably be required by the Principal Warrant and Certificate Agent; and

(I) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(iii) If Condition 4(e)(ii) 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 relevant Clearing System or, as the case may be, the Warrant and Certificate Agents during normal office hours.

If Condition 4(e)(ii) applies, unless the applicable Final Terms specifies otherwise, Warrantholders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

(b) *Exercise Notice in respect of Registered Warrants*

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Warrant and Certificate Agent in accordance with the provisions set out in Condition 4 and this Condition.

(i) In the case of Cash Settled Warrants, the Exercise Notice shall:

(A) 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;

(B) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;

(C) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

(D) include an undertaking to 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 in connection with the exercise of such Warrants ("**Exercise Expenses**")

and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder;

(E) 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 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 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 may reasonably be required by the Principal Warrant and Certificate Agent; and

(F) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(ii) In the case of Physical Delivery Warrants, the Exercise Notice shall:

(A) 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;

(B) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;

(C) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);

(D) include an undertaking to pay all Exercise Expenses;

(E) include such details as may be required by the relevant Clearing System and/or the Principal Warrant and Certificate Agent 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 specify the 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 (following a notification to such effect from the Calculation Agent) electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer (following a notification to such effect from the Calculation Agent) electing to pay the Alternate Cash Amount;

(F) in the case of Currency Linked Warrants only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

(G) 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 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 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 may reasonably be required by the Principal Warrant and Certificate Agent; and

(H) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(iii) If Condition 4(e)(ii) 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 Registrar.

(c) *Verification of the Warrantholder*

In the case of Clearing System Warrants, upon receipt of an Exercise Notice, the relevant Clearing System shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System. Subject thereto, the relevant Clearing System will confirm to the Principal Warrant and Certificate Agent the Series number and the number of Warrants being exercised and the account details, 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. Upon receipt of such confirmation, the Principal Warrant and Certificate Agent will inform the Issuer, Calculation Agent and Swap Counterparty thereof. The relevant Clearing System will on or before the Settlement Date debit the securities account of the relevant Warrantholder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Warrant and Certificate Agent, note such exercise on the Schedule to such Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Warrantholder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer the Series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

(d) *Settlement*

(i) 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 Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

(ii) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, 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 4(d), the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(e) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (i) in the case of Clearing System Warrants, the relevant Clearing System or (ii) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Warrant and Certificate Agent and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Warrant and Certificate Agents and the relevant Warrantholder. 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 Principal Warrant and Certificate Agent or the Issuer, as the case may be immediately after being delivered or sent to the relevant Clearing System, or the Registrar as provided in Condition 5(b) above, as the case may be, shall be null and void. In the absence of negligence or wilful misconduct on its part, none of the Issuer or, the Guarantor, if any, 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 Warrantholder.

If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Clearing System or the Registrar, as the case may be, in consultation with the Principal Warrant and Certificate Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Clearing System or the Registrar, as the case may be, and the Principal Warrant and Certificate Agent or the Issuer, as the case may be.

If (A) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (B) 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 before the Expiration Date specified in Condition 4(a), in the case of American Style Warrants, or Condition 4(b), in the case of European Style Warrants, shall become void.

The relevant Clearing System or the Registrar, as the case may be, shall use its best efforts promptly to notify the Warrantholder submitting an Exercise Notice if, in consultation with the Principal Warrant and Certificate Agent or the Issuer, as the case may be, 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 Warrant and Certificate Agents, the Registrar or the relevant Clearing System 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 Warrantholder.

(f) *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

(g) *Automatic Exercise*

(i) 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 4(a) or Condition 4(b).

(ii) No Exercise Notice is required to be submitted or any other action required to be taken by any relevant Warrantholder 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. The Issuer shall transfer or cause to be transferred to each Clearing System

through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Warrantholder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Warrantholder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.

(iii) In order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant holder must, in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Warrant and Certificate Agent, on any Business Day until not later than 10.00 a.m., Luxembourg time, on the Business Day immediately preceding the day (the "**Cut-off Date**") falling 180 days after (A) the Expiration Date, in the case of American Style Warrants or (B) the Actual Exercise Date, in the case of European Style Warrants. The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 5(a)(i), Condition 5(a)(ii), Condition 5(a)(iii), Condition 5(b)(i), Condition 5(b)(ii) or Condition 5(b)(iii), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Warrant and Certificate Agent is referred to in this Condition 5(g) as the "**Exercise Notice Delivery Date**", provided that, in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Warrant and Certificate Agent after 10.00 a.m., Luxembourg time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Warrantholder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Warrantholder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 5(g) prior to, in the case of Registered Warrants, 10.00 a.m., Luxembourg time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Warrantholder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

(h) *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, the Registrar or the Warrant and Certificate 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, the Trustee or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System in relation to the performance of its duties in relation to the Warrants.

(i) *Automatic Early Expiration*

(i) If "Automatic Early Expiration" is specified as applicable in the applicable Final Terms, then unless previously exercised or cancelled, if on (i) any Automatic Early Expiration Valuation Date (the "**Relevant Automatic Early Expiration Valuation Date**") or (ii) in respect of an Automatic Early Expiration Valuation Period, as specified in the applicable Final Terms, an Automatic Early Expiration Event occurs, the Warrants will be automatically cancelled in whole, but not in part, on the relevant Automatic Early Expiration Date and the amount (if any) payable on the Automatic Early Expiration Settlement Date by the Issuer upon cancellation shall be equal to the relevant Automatic Early Expiration Payout Amount.

(ii) Definitions relating to Automatic Early Expiration

"**AER Knock-out Event**" means the occurrence (such date of occurrence the AER Knock-out Date) of a Knock-out Event and/or a Knock-in Event as specified in the applicable Final Terms;

"**AER Rate**" means the rate specified as such or determined in the manner set out in the applicable Final Terms;

"**Automatic Early Expiration Date**" means the Relevant Automatic Early Expiration Valuation Date or if such date is not a Business Day, the next following Business Day, and no Warrantholder shall be entitled to any interest or further payment in respect of such delay;

"**Automatic Early Expiration Event**" means that (a) if SPS AER Valuation is specified as applicable, the SPS AER Value is; or (b) if SPS AER Valuation and AER Knock-out Event are specified as not applicable (x) in the case of a single Underlying Reference, the Underlying Reference Level or (y) in the case of a Basket of Underlying References, the Basket Price is in each case, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Expiration Level as specified in the applicable Final Terms, or (c) if SPS AER Valuation is specified as not applicable and AER Knock-out is specified as applicable, an AER Knock-out occurs;

"**Automatic Early Expiration Level**" means the level, 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 Expiration Payout Amount**" means an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms, provided that if the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on cancellation of the Warrant pursuant to this Condition and such Warrant shall expire worthless. If the Automatic Early Expiration Payout Amount is not an amount in the Settlement Currency, if specified in the applicable Final Terms it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;

"**Automatic Early Expiration Settlement Date**" means the date specified as such in the applicable Final Terms;

"**Automatic Early Expiration Valuation Date**" means (i) the AER Knock-out Date or (ii) 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 Linked Warrants (other than Custom Index Linked Warrants) Share Linked Warrants, Debt Linked Warrants or ETI Linked Warrants, a Custom Index Business Day (in the case of Custom Index linked Warrants), a Commodity Business Day in the case of Commodity Linked Warrants, Fund Business Day (in the case of Fund Linked Warrants), Business Day (in the case of other Warrants), as

applicable, the next following Scheduled Trading Day, Custom Index Business Day, Commodity Business Day, Fund Business Day or Business Day as applicable, unless, in the case of Index Linked Warrants, Share Linked Warrants, Debt Linked Warrants, ETI Linked Warrants or Commodity Linked Warrants, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Index Linked Warrants (other than Custom Index Linked Warrants) Share Linked Warrants, Debt Linked Warrants or ETI Linked Warrants), a Custom Index Disruption is occurring on such day (in respect of Custom Index Linked Warrants) or a Market Disruption Event is occurring on such day (in respect of Commodity Linked Warrants). If any such day is a Disrupted Day, a day on which a Custom Index Disruption is occurring or (except in the case of Commodity Linked Warrants) 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 Expiration Valuation Date" or (in the case of Commodity Linked Warrants) 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 Expiration Valuation Date";

"**Automatic Early Expiration Valuation Period**" means the period specified as such in the applicable Final Terms;

"**Automatic Early Expiration Valuation Time**" means the time specified as such in the applicable Final Terms;

"**Basket of Underlying References**" means, for the purposes of this Condition 5(i), the Basket of Indices, Basket of Shares, Basket of Debt Securities, ETI Basket, Basket of Commodities or other basis of reference to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms;

"**Basket Price**" means, in respect of any Automatic Early Expiration 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 Expiration Valuation Date and (b) the relevant Weighting;

"**Multiple Underlying Interest Rate Gearing**" means, in respect of an Underlying Interest $Rate_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"**Multiple Underlying Reference Rate**" means, in respect of an Underlying Interest $Rate_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate;

"**Multiple Underlying Reference Rate Value**" means the value calculated in accordance with the following formula:

$$\sum_{i=1}^{n} \text{Multiple Underlying Interest Rate Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$

"**Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**SPR AER Value**" means the value specified from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of this Condition 5(i), each Index, Custom Index, Share, Debt Security, ETI Interest, Commodity, Commodity Index, Subject Currency, Fund or other basis of reference to which the relevant Warrants relate;

"**Underlying Reference Level**" means, in respect of any Automatic Early Expiration Valuation Date, (i) "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms (a) in the case of Share Linked Warrants and ETI Linked Warrants, the price of the relevant Underlying Reference, (b) in the case of Index Linked Warrants and Custom Index Linked Warrants, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Warrants, the Relevant Price, or (d) in the case of Currency Linked Warrants, 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 Automatic Early Expiration Valuation Time on such Automatic Early Expiration Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Expiration Valuation Date as the "official close" level is published by the Observation Price Source.

(j) *Settlement Date Postponement*

Where "Settlement Date Postponement" is specified as applicable the applicable Final Terms and the Settlement Date Postponement Event Condition is satisfied, the Settlement Date will be the day falling the number of Postponement Business Days after the Cash Settlement Payment Date.

For the purposes of this Condition 7(j):

"**Settlement Date Postponement Event Condition**" means due to the occurrence of an event leading to the occurrence of one or more Disrupted Days (in the case of Index Linked Warrants, Share Linked Warrants, Currency Linked Warrants or ETI Linked Warrants) or a Commodity Disrupted Day (in the case of Commodity Linked Warrants), the Cash Settlement Payment Date would not fall at least two Business Days before the scheduled Settlement Date;

"**Cash Settlement Payment Date**" means the day falling the number of Payment Delay Days after the final Valuation Date;

"**Postponement Business Days**" means the number of Business Days specified in the applicable Final Terms and

"**Payment Delay Days**" means the number of Business Days specified in the applicable Final Terms.

(k) *Condition to Final Payout Premium*

Where "Condition to Final Payout Payment" is specified as applicable in the applicable Final Terms, the obligation of the Issuer to pay a Final Payout Premium as part of the Cash Settlement Amount will be subject to the receipt of an aggregate amount equal to the Final Payout Premium payable in respect of each Warrant outstanding on or prior to the Settlement Date from the Swap Counterparty under the Swap Agreement. In the event that the Swap Counterparty fails to pay an amount under the Swap Agreement or the Swap Agreement terminates for any reason other than as scheduled on its scheduled termination date or where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party, the Issuer will have no further obligation to pay an amount equal to the Final Payout Premium in respect of each Warrant (but without prejudice to the Issuer's obligations to pay an amount equal to the

Scheduled Cash Settlement Amount less the relevant Final Payout Premium in respect of each Warrant) and no Event of Default will occur in respect of such non-payment save where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party.

For the purposes of this Condition 5(k):

"**Final Payout Premium**" means, in respect of a Warrant, a *pro rata* share of an amount equal to the amount by which the Scheduled Cash Settlement Amount is greater than the amount which the Issuer is scheduled to receive in respect of the Charged Assets other than the Swap Agreement on maturity or termination of such assets; and

"**Scheduled Cash Settlement Amount**" means an amount equal to the scheduled Cash Settlement Amount which would have been payable by the Issuer had the Swap Counterparty paid the amounts it was scheduled to pay under the Swap Agreement and/or the Swap Agreement had not terminated prior to the Settlement Date.

6. Minimum and Maximum Number of Warrants Exercisable

(a) *American Style Warrants*

This Condition 6(a) applies only to American Style Warrants.

(i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder on any Actual Exercise Date, in each case as determined by the Calculation Agent, 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.

(ii) If the Calculation Agent determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Calculation Agent may deem the Actual Exercise Date for the first Quota of such Warrants, selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner, 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 is exercised on the same day by holder(s) of Warrants, the order of settlement in respect of such Warrants shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

(b) *European Style Warrants*

This Condition 6(b) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date, as determined by the Calculation Agent, 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.

7. Force Majeure

Save where a Force Majeure constitutes an Optional Additional Disruption Event and is specified as being applicable in the relevant Final Terms, if the Calculation Agent determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable for the Issuer to perform in whole or in part its obligations under the Warrants and/or any related hedging arrangements, the Issuer may cancel the Warrants by giving notice to Warrantholders in accordance with Condition 17.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be the fair market value (if any) of a Warrant or Unit, as the case may be, taking into account such force majeure or act of state less, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Swap Counterparty and/or its Affiliates of unwinding the relevant Swap Agreement any underlying related hedging arrangements plus, if applicable and if already paid by or on behalf of the Warrantholder, the Exercise Price, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Any payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17.

8. Purchases and Cancellation

(a) *Purchases*

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Compartment Assets, for the repayment of no more than the equivalent proportion of any amount deposited under any Deposit Agreement, for the termination of no more than the equivalent proportion of any Swap Agreement and for the cancellation of the Warrants, which transaction will leave the Issuer with no net liabilities in respect thereof, the Issuer may at any time purchase Warrants at any price in the open market or otherwise, in accordance with applicable laws and regulations. The Trustee will accept as evidence of the satisfaction of the criteria to such purchase a certificate (which it may rely on without further enquiry) of the Issuer confirming such arrangements and confirming that the remaining Charged Assets are sufficient to secure the Issuer's remaining obligations in respect of the remaining Warrants. If required by any applicable law or regulation, Warrants purchased by or on behalf of the Issuer will be surrendered for cancellation (within one Business Day of such purchase), in the case of Registered Warrants, by surrendering the certificate representing such Warrants to the Registrar.

In such circumstances:

(i) the Issuer and the Secured Parties will be deemed to have consented to the release of the security in respect of that proportion of the Charged Assets that corresponds to the proportion that the number of Warrants being purchased bears to the total prior of Warrants remaining unexercised immediately prior to such purchase;

(ii) unless an Event of Default or an event or circumstance that could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 11 (*Events of Default*) become an Event of Default (a "**Potential Event of Default**") has occurred and the Trustee has actual notice of such occurrence, such proportion of the Charged Assets shall be deemed to have been released from the security created under the Trust Deed.

(b) *Cancellation*

All Warrants which are purchased by the Issuer will forthwith be cancelled and may not be reissued or resold. Upon such cancellation, in the case of Warrants which are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange, the Issuer will forthwith inform the Luxembourg Stock Exchange of such cancellation. All Warrants so cancelled and any Warrants purchased and cancelled pursuant to paragraph (a) above shall be forwarded to the Principal Warrant and Certificate Agent or, in the case of Registered Warrants, the Registrar, and cannot be reissued or resold.

(c) Early Termination Events

The applicable Final Terms may specify that any of the following events set out in this paragraph applies. If any does so apply then in each case, in the event that the Calculation Agent notifies the Issuer and (if applicable) the Guarantor in writing (with a copy to the Trustee, on which notification the Trustee shall rely without further investigation or enquiry) that it has determined that one or more (as applicable) of the following events (each, an "**Early Termination Event**") has occurred:

(i) there is a payment default in respect of any of the Charged Assets (other than the relevant Swap Agreement) (an "**Asset Payment Default Event**"); or

(ii) the issuer or primary obligor in respect of any of the Charged Assets (each, a "**Charged Assets Issuer**") or any guarantor (if applicable) of the Charged Assets Issuer's obligations in respect of any Charged Assets fails to perform or observe any of its obligations under the relevant Charged Assets and the failure continues after the expiration of any applicable grace period or the occurrence of any event (including, but not limited to, default, event of default or other similar condition or event (howsoever described)) that results in the Charged Assets becoming capable of being declared due and payable before they would otherwise have been due and payable (an "**Asset Default Event**"); or

(iii) any of the Charged Assets is, for any reason, redeemed or otherwise terminated prior to its scheduled redemption or termination date (an "**Asset Redemption Event**"); or

(iv) there is a payment default in respect of any of the Charged Assets (other than the relevant Swap Agreement) or the aggregate amount received by the Issuer in respect of the Charged Assets on the redemption date, expiration date or other date for final payment in respect of the Charged Assets is less than the aggregate of the Cash Settlement Amounts payable by the Issuer in respect of the Warrants (an "**Asset Payment Shortfall Event**"); or

(v) on or after the Trade Date, (A) due to the adoption of any change in any applicable law or regulation (including, without limitation, any tax law) 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 brought in a court of competent jurisdiction), either (1) any amount is required to be deducted or withheld for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of any payment to be received by the Issuer under one or more Compartment Assets or (2) the Issuer becomes obliged to pay any amount for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of (I) any payment received by the Issuer under one or more Compartment Asset or (II) holding, acquiring or disposing of any Compartment Asset (a "**Compartment Tax Event**"); or

(vi) the early termination of any Swap Agreement (or any other agreement specified as a Related Agreement in the Final Terms) entered into in respect of the Warrants other than where the Issuer is the Defaulting Party (as defined in the relevant Swap Agreement) thereunder and the relevant event of default relates to the insolvency of the Issuer or under the Warrants or due to the purchase by the Issuer of all the outstanding Warrants of a Series (a "**Related Agreement Termination Event**"); or

(vii) where an Annex to these Conditions is applicable, and in any event with respect to Condition 8(e)(B) below, the Calculation Agent notifies the Issuer that an event has occurred in respect of which the Calculation Agent in good faith and in a commercially reasonable manner determines it is not possible to make an adjustment in respect of such event and that the Warrants should be cancelled early as contemplated in either (A) such Annex or (B) Condition 8(e)(B), as the case may be (an "**Annex Early Termination Event**"); or

(viii) on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation in respect of tax, solvency 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 or financial authority) or the combined effect thereof if occurring more than once, the Issuer or the Calculation Agent determines in good faith and in a commercially reasonable manner that it has become illegal for (1) the Issuer to perform its obligations in respect of any Warrants or the Swap Counterparty to perform its obligations in respect of any Swap Agreement, (2) for the Issuer to hold, acquire or dispose of relevant hedge positions relating to any Warrants or for the Swap Counterparty to hold, acquire or dispose of relevant hedge positions relating to any Swap Agreement save where such an event in (A) or (B) would constitute an Additional Disruption Event or Optional Additional Disruption Event (in the case of Index Linked Warrants, Share Linked Warrants, Commodity Linked Warrants, Currency Linked Warrants, Fund Linked Warrants or ETI Linked Warrants) or an Extraordinary Fund Event (in the case of Fund Linked Warrants) or an Extraordinary ETI Event (in the case of ETI Linked Warrants) or the Warrants are Inflation Linked Warrants, or (3) for the Issuer to hold, acquire or dispose of any Compartment Assets (a "**Compartment Change in Law Event**"); or

(ix) the Calculation Agent deems that, on or after the Trade Date, any of the following has occurred in respect of the Reference Securities

(A) any event (by way of change to the actual terms and conditions applicable to the Reference Securities or by way of exchange of the Reference Securities with another asset) which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals, (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates, (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation or any change in the currency or composition of any payment of interest or principal under the Reference Securities; or

(B) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities or a cancellation, conversion or compulsory exchange of the Reference Securities; or

(C) any event analogous to the events specified in (A) or (B),

(a "**Reference Securities Restructuring Event**")

(x) (A) any event occurring as a result of action taken or 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 any case, irrespective of whether such event is expressly provided for under the terms of the Reference Securities which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination), (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates (including by way of redenomination), (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation, or (5) any change in the currency or composition of any payment of interest or principal under the Reference Securities; or

(B) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities, or a mandatory cancellation, conversion or exchange; or

(C) any event which has an analogous effect to any of the events specified in (A) or (B),

(a "**Reference Securities Regulatory Event**");

(xi) an authorised officer of the issuer of the Charged Assets or any guarantor of the obligations of the issuer of the Charged Assets in respect of any Charged Assets or a governmental authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Charged Assets or declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to the Charged Assets (a "**Charged Assets Repudiation/Moratorium Event**"); or

(xii) the issuer, or primary obligor, or guarantor in respect of any of the Charged Assets:

(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: (1) 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 (2) 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.

(a "**Charged Assets Issuer Bankruptcy Event**")

the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (which notice shall be irrevocable) to the Trustee and the Warrantholders pursuant to Condition 17 (*Notices*) prior to the specified date of cancellation (the "**Early Termination Date**") that it intends to cancel the Warrants in accordance with this Condition 8(c), and upon the expiry of such notice, the Issuer shall cancel all, but not some only, of the Warrants and the Warrantholders shall be entitled to an amount determined in accordance with the following provisions of this Condition (such amount the "**Early Termination Amount**").

Where Swap Termination Without Cancellation is specified as applicable in the applicable Final Terms, the Swap Agreement shall be deemed not to be included in the term "Charged Assets" as used in Conditions 8(c)(i) to (iv) (inclusive) and the definition of Related Agreement Termination Event in Condition 8(c)(vi) shall not apply and shall be replaced by the following definition:

"(vi) the early termination of any Swap Agreement entered into in respect of the Warrants other than where (i) the Issuer is the Defaulting Party (as defined in the relevant Swap Agreement) and the relevant event of default relates to the insolvency of the Issuer, (ii) a Swap Default has occurred, or (iii) the Swap Agreement terminates due to the purchase by the Issuer of all the outstanding Warrants of a series (a "**Related Agreement Termination Event**");"

Where the Final Terms specify that the Warrantholders are entitled to Liquidation Proceeds, the Issuer shall appoint an agent to sell or otherwise realise the Charged Assets (the "**Disposal Agent**") which shall be the Calculation Agent (or such other party as may be agreed by the Issuer and the Trustee provided that, for the avoidance of doubt, the Disposal Agent may not be the Issuer) and each Warrant shall be entitled to a *pro rata* share of the Liquidation Proceeds. "**Liquidation Proceeds**" shall be an amount, subject to a maximum equal to the Liquidation Proceeds Cap save where "Liquidation Proceeds Cap" is specified as not applicable in the applicable Final Terms, equal to the amounts received by or on behalf of the Issuer upon the sale or realisation of the Charged Assets (including, without limitation, any termination payment received by the Issuer under the relevant Swap Agreement and/or the amount received by the Issuer in respect of the Charged Assets on the redemption date, expiration date or other date for final payment in respect of the Charged Assets) after the deduction of any fees (including, without limitation, any legal fees), costs, expenses and taxes incurred by any Disposal Agent (for itself and on behalf of the Issuer), in respect of the sale or realisation of the Charged Assets and the early termination of the Warrants, any due and unpaid fees, costs and expenses of the Trustee and the Agents and any amounts due to be paid to the Swap Counterparty under the Swap Agreement. Where the Liquidation Proceeds Cap is applicable, "**Liquidation Proceeds Cap**" means (A) in the case of cancellation of the Warrants as a result of an Early Termination Event, the Cash Settlement Amount (calculated on the basis that any reference to the Exercise Date in relation to the determination thereof shall be deemed to be a reference to the Early Termination Date) that would

have been payable (if Automatic Exercise were applicable to the Warrants and such Warrants were exercised in accordance with Automatic Exercise on the Early Termination Date) but for the occurrence of the Early Termination Event; or (B) following a Warrant Acceleration, the Cash Settlement Amount (calculated on the basis that any reference to the Exercise Date in relation to the determination thereof shall be deemed to be a reference to the date on which notice of Warrant Acceleration was given by the Trustee in accordance with Condition 11 (*Events of Default*) that would have been payable (if Automatic Exercise were applicable to the Warrants and such Warrants were exercised in accordance with Automatic Exercise on the date on which notice of Warrant Acceleration was given by the Trustee in accordance with Conditions 11 (*Events of Default*)) but for the occurrence of the Event of Default.

Where the Final Terms specify that the Warrantholders are entitled to Liquidation Proceeds/Fair Market Value, the Calculation Agent will determine the fair market value of a Warrant (taking into account the occurrence of the relevant Early Termination Event but otherwise equal to a *pro rata* share of the amounts payable to the Issuer in respect of the Charged Assets following their early termination or realisation on or prior to the Early Termination Date) which such amount will be the Early Termination Amount in respect of each Warrant unless such amount would be less than the *pro rata* share of the Liquidation Proceeds (subject to the Liquidation Proceeds Cap) realised by a Disposal Agent appointed by the Issuer in respect of a Warrant, in which case a *pro rata* share of the Liquidation Proceeds (subject to the Liquidation Proceeds Cap) will be the Early Termination Amount in respect of each Warrant.

(d) *Termination at the Option of the Issuer*

If the Issuer is specified in the applicable Final Terms as having an option to terminate, the Issuer may, having given not less than 15 nor more than 30 days' notice, in accordance with Condition 17 (*Notices*), to the Warrantholders (with a copy to the Trustee) (which notice shall be irrevocable and shall specify the date fixed for redemption), cancel all or some only of the Warrants then unexercised on any Optional Termination Date(s) and at the Optional Termination Amount(s) each as specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Termination Date(s).

In the case of a partial termination of Warrants, the Warrants to be terminated will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg in the case of Warrants represented by a global Warrant held on behalf of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as a pool factor) and in accordance with the rules of the relevant securities depositary (in the case of Registered Warrants), in each case not more than 30 days prior to the date fixed for termination (the "**Selection Date**").

(e) *Additional Disruption Events and Optional Additional Disruption Events*

(A) "**Additional Disruption Event**" means each of Change in Law and Hedging Disruption (unless specified to be not applicable in the applicable Final Terms) and any Optional Additional Disruption Event specified as being applicable in the applicable Final Terms;

"**Cancellation Event**" means that in the determination of the Calculation Agent all or some of the Debt Securities are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for (i) the Issuer to hedge the Issuer's obligations in respect of the Warrants and/or (ii) the Swap Counterparty or its Affiliates to hedge the Swap Counterparty's obligations in respect of the Swap Agreement;

"**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, any law or regulation in respect of tax, 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 Calculation Agent determines in good faith and in a commercially reasonable manner that:

(a) it has become illegal for the Issuer, the Swap Counterparty and/or any of their Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Linked Warrants), any relevant hedge position relating to a Share (in the case of Share Linked Warrants), any relevant hedge position relating to a Debt Security (in the case of Debt Linked Warrants), any relevant hedge position relating to an ETI Interest (in the case of ETI Linked Warrants), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Linked Warrants), any relevant hedge position relating to a Fund Share (in the case of Fund Linked Warrants) or any other hedge position relating to the Warrants (each a "**Hedge**"); or

(b) the Swap Counterparty 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 performing its obligations in respect of the Swap Agreement 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 the Swap Counterparty or any of its Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Securities or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Securities (for the purposes of hedging the Issuer's obligations under the Warrants or the Swap Counterparty's obligations in respect of the Swap Agreement) 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 Securities or any options or futures contracts in relation to the Index, the Shares or the Debt Securities 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 Warrants;

"**Failure to Deliver due to Illiquidity**" means following the exercise of Physical Delivery Warrants, 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 Warrants 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 or the Swap Counterparty, of all or substantially all of its assets in the Local Currency jurisdiction; or

(d) the bankruptcy of the hedging counterparty of the Swap Counterparty (or of an affiliate) in relation to the Warrants where it is impossible for the Swap Counterparty (or such afifiliate) to find another hedging counterparty in relation to the Warrants;

"**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 Swap Counterparty 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 Swap Counterparty performing its obligations with respect to the Swap Agreement, 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 Swap Agreement, as determined by the Calculation Agent;

"**Hedging Shares**" means the number of components comprised in an Index (in the case of Index Linked Warrants) or the number of Shares (in the case of Share Linked Warrants) that the Swap Counterparty 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 Swap Agreement;

"**Increased Cost of Hedging**" means that the Swap Counterparty 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 Linked Warrants) or, in respect of any Index Linked Warrants relating to a Custom Index, any relevant hedge positions relating to an Index or, in respect of any Debt Linked Warrants, any relevant hedge positions relating to a Debt Security, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Swap Counterparty performing its obligations under the Swap Agreement entered into with respect to the Warrants, 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 Linked Warrants relating to a Custom Index, any relevant hedge positions relating to an Index or, in respect of any Debt Linked Warrants, any relevant hedge positions relating to a Debt Security, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Swap Counterparty and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

"**Increased Cost of Stock Borrow**" means that the Swap Counterparty and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Linked Warrants) or any Share (in the case of Share Linked Warrants) 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 Linked Warrants) or a Share (in the case of Share Linked Warrants), 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 the Swap Counterparty 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 Securities or any options or futures contracts in relation to the Index, the Shares or the Debt Securities in order for the Issuer to perform its obligations under the Warrants or in respect of any relevant hedging arrangements in connection with the Warrants (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 or the Swap Counterparty and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Warrants) 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 Swap Counterparty and/or any of its Affiliates 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 Linked Warrants) or any Share (in the case of Share Linked Warrants 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 Linked Warrants) or a Share (in the case of Share Linked Warrants), 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.

(B) If an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Calculation Agent may take the action described in (a) or, if applicable, (b), (c) or (d) below, as the case may be, provided that where the circumstances giving rise to such Additional Disruption Event and/or Optional Additional Disruption Event result in a determination, adjustment or calculation being made in respect of the relevant Swap Agreement, the Calculation Agent shall, to the extent applicable, make the corresponding determination, adjustment or calculation in respect of the Warrants:

(a) determine in good faith and in a commercially reasonable manner 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) on giving notice to Warrantholders in accordance with Condition 17 (*Notices*), require the Issuer to cancel all but not some only of the Warrants, each Warrant being settled by payment of an amount equal to the Early Termination Amount in accordance with Condition 8(c). Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 (*Notices*); or

(c) in the case of Index Linked Warrants linked to a Custom Index, 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 Warrantholders in accordance with Condition 17 (*Notice*) and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Warrants 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 good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or

(d) in the case of Share Linked Warrants linked to a Basket of Shares, 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 Warrants, 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 Warrants are Physical Delivery 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 good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Warrants 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 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 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 good faith and in a commercially reasonable manner 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 the Calculation Agent determines, acting in good faith and in a commercially reasonable manner:

(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:

(X) subject as provided elsewhere in the Terms and Conditions of the Warrants, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Expiration Date or the Exercise Date, as applicable, in accordance with Condition 4(d) (*Physical Settlement*); and

(Y) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Calculation Agent may, in good faith and in a commercially reasonable manner, require that the Issuer satisfies its obligations in respect of the relevant Warrants by payment to the relevant Warrantholders of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 17 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 (*Notices*).

For the purposes hereof:

"**Failure to Deliver Settlement Price**" means, in respect of any relevant Warrant, the fair market value of such Warrant (taking into account the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Swap Counterparty and/or its Affiliates and/or the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(C) Notwithstanding any other provision of these Conditions, in making its determination in the manner set out in Condition 8(e)(B) above, the Calculation Agent shall, to the extent applicable to the relevant Warrants, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Additional Disruption Event or Optional Additional Disruption Event.

(D) 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 Warrantholders in accordance with Condition 17 (*Notices*) 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.

(E) In determining to take a particular action as a result of an Additional Disruption Event or Optional Additional Disruption Event, the Calculation Agent is under no duty to consider the interests of Warrantholders or any other person. In making any determination as to which action to take following the occurrence of an Additional Disruption Event or Optional Additional Disruption Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Warrantholders or any other person in connection with the Warrants as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Warrant.

(f) *Knock-in Event and Knock-out Event*

(A) If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Warrants 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.

(B) If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Warrants 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.

(C) In respect of Index Linked Warrants, Share Linked Warrants, Debt Linked Warrants or ETI Linked Warrants, 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 Warrants other than Custom Index Linked Warrants or Debt Linked Warrants, 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 Linked Warrants or Debt Linked Warrants, a Custom Index Disruption Event or Market Disruption Event, as applicable, is occurring, then 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.

(D) In respect of Commodity Linked Warrants or Currency Linked Warrants, 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 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.

(E) In respect of Warrants other than Custom Index Linked Warrants or Debt Linked Warrants, 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 Linked Warrants, Share Linked Warrants or ETI Linked Warrants, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Linked Warrants, a Disruption Event or (c) in the case of Commodity Linked Warrants, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Warrants other than Commodity Linked Warrants or Currency Linked Warrants, 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.

(F) In respect of Debt Linked Warrants, 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 Security is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Security 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 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.

(g) *Definitions relating to Knock-in Event/Knock-out Event*

"**Knock-in Determination Day**" means (a) each date, (b) each Scheduled Trading Day in the Knock-in Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-in Determination Period, or (d) each Business Day in the Knock-in Determination Period, or (e) each

Commodity Business Day in the Knock-in Determination Period, as specified 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) if SPS Knock-in Valuation is specified as applicable in the applicable Final Terms, the Knock-in Value is; or

(b) if the Warrants are Currency Linked Warrants and FX Knock-in Valuation is specified as applicable in the applicable Final Terms:

(i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or

(ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is, or

(c) if SPS Knock-in Valuation is specified as not applicable in the applicable Final Terms and, if the Warrants are Currency Linked Warrants, unless FX Knock-in Valuation is specified as applicable in the applicable Final Terms:

(i) in respect of a single Underlying Reference, that the Level is; or

(ii) 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 and (y) the relevant Weighting is,

(1) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (2) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, as specified in all the applicable Final Terms;

"**Knock-in Level**" means the FX Knock-in Level or the price, level, 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 Linked Warrants (other than Custom Index Linked Warrants), Share Linked Warrants, ETI Linked Warrants, Debt Linked Warrants or Currency Linked Warrants), a Commodity Business Day (in the case of Commodity Linked Warrants), a Custom Index Business Day (in the case of Custom Index Linked Warrants),or Business Day (in the case of other Warrants), the next following Scheduled Trading Day, Commodity Business Day, 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 Linked Warrants (other than Custom Index Linked Warrants), Share Linked Warrants, ETI Linked Warrants, Debt Linked Warrants or Currency Linked Warrants), a Commodity Business Day (in the case of Commodity Linked Warrants), a Custom Index Business Day (in the case of Custom Index Linked Warrants), or Business Day (in the case of other Warrants), the next following Scheduled Trading

Day, Commodity Business Day, 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 Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**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-in Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Knock-out Determination Day**" means (a) each date, (b) each Scheduled Trading Day in the Knock-out Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-out Determination Period, or (d) each Business Day in the Knock-out Determination Period as specified in the applicable Final Terms or (e) each Commodity Business Day in 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) if SPS Knock-out Valuation is specified as applicable in the applicable Final Terms, the Knock-out Value is, or

(b) if the Warrants are Currency Linked Warrants and FX Knock-out Valuation is specified as applicable in the applicable Final Terms:

  (i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or

  (ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is, or

(c) if SPS Knock-out Valuation is specified as not applicable in the applicable Final Terms and, if the Warrants are Currency Linked Warrants, unless FX Knock-out Valuation is specified as applicable in the applicable Final Terms:

  (i) in respect of a single Underlying Reference, that the Level is; or

  (ii) 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 and (y) the relevant Weighting is,

(1) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (2) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms (x) on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms;

"**Knock-out Level**" means the FX Knock-out Level or the price, level, 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 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 Index Linked Warrants (other than Custom Index Linked Warrants), Share Linked Warrants, ETI Linked Warrants, Debt Linked Warrants or Currency Linked Warrants), a Commodity Business Day (in the case of Commodity Linked Warrants) or a Scheduled Custom Index Business Day (in the case of Custom Index Linked Warrants) or Business Day (in the case of other Warrants), 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 Linked Warrants (other than Custom Index Linked Warrants), Share Linked Warrants, ETI Linked Warrants, Debt Linked Warrants or Currency Linked Warrants), a Commodity Business Day (in the case of Commodity Linked Warrants), a Scheduled Custom Index Business Day (in the case of Custom Index Linked Warrants) or Business Day (in the case of other Warrants), 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;

"**Knock-out Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Level**" means, for the purposes of this Condition, (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 Linked Warrants and ETI Linked Warrants, the price of the relevant Underlying Reference, (b) in the case of Index Linked Warrants and Custom Index Linked Warrants, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Warrants the Relevant Price, or (d) in the case of Currency Linked Warrants, 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;

"**Payout Conditions**" means the terms and conditions set out in Annex 1 (*Additional Terms and Conditions for Payouts*).

"**Relevant Adjustment Provisions**" means:

(a) in the case of Index Linked Warrants, Index Linked Condition 1 (*Market Disruption*) and Index Security Condition 2 (*Adjustments to an Index*);

(b) in the case of Custom Index Linked Warrants, Index Linked Condition 6 (*Adjustments to a Custom Index and Custom Index Disruption*);

(c) in the case of Share Linked Warrants, Share Linked Condition 1 (*Market Disruption*) and Share Linked Condition 2 (*Potential Adjustment Events and Extraordinary Events*);

(d) in the case of ETI Linked Warrants, ETI Linked Condition 2 (*Market Disruption*) and ETI Linked Condition 3 (*Potential Adjustment Events*);

(e) in the case of Commodity Linked Warrants, Commodity Linked Condition 1 (*Market Disruption*) and Commodity Linked Condition 2 (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

(f) in the case of Currency Linked Warrants, Currency Linked Condition 2 (*Disruption Events*) and Currency Linked Condition 3 (*Consequences of a Disruption Event*); and

(g) in the case of Debt Linked Warrants, Debt Linked Condition 2 (*Market Disruption*), Debt Linked Condition 3 (*Correction of Debt Security Price*) and Debt Linked Condition 4 (*Redemption or Cancellation of a Debt Security*); and

"**Underlying Reference**" means, for the purposes of this Condition, each Index, Custom Index, Share, Debt Security, ETI Interest, Commodity, Commodity Index, Subject Currency or other basis of reference to which the relevant Warrants relate.

(h) *Settlement Date Extension*

Where:

(A) "**Settlement Date Extension**" is specified in the applicable Final Terms as being applicable on the Early Termination Date (or on the Settlement Date if the Early Termination Event occurs on such date); and/or

(B) Swap Termination Without Cancellation is specified in the applicable Final Terms as being applicable, a Swap Default has occurred and the Issuer has not received any Early Termination Amount (as defined in the Swap Agreement) due to it in the manner set out in Condition 9(k) (*Swap termination*) on or prior to the Settlement Date,

the terms of this Condition 8(h) shall apply as set out below, provided that, where sub-clause (B) applies and no Early Termination Event has also occurred, the provisions of Conditions 8(h)(i), 8(h)(ii) and 8(h)(vi) only shall apply.

(i) Where the Issuer has not received in full the amount it is scheduled to receive on or prior to such date in respect of any of the Charged Assets relating to the relevant Warrants (such assets, the "**Non-Performing Assets**") it shall, on the Early Termination Date or the Settlement Date, as the case may be, pay any amounts it has received in respect of the Charged Assets *pro rata* to the Warrantholders (provided that all amount(s) which are to be deducted from such amounts in accordance with the definition of Liquidation Proceeds have been paid in full or, where a Swap Default has occurred and Swap Termination Without Cancellation applies and no Early Termination Event has occurred, the amounts

which are to be deducted as set out in Condition 9(k) (the "**Deduction Amounts**")) and settlement or cancellation, as the case may be, of the Warrants will be postponed until the date specified in the applicable Final Terms as the "Extended Settlement Date" (the "**Extended Settlement Date**"), provided that if during the Extension Period the Calculation Agent gives at least three Business Days' notice to the Issuer that the Calculation Agent, in good faith and in a commercially reasonable manner, has determined that the Issuer will not receive any further amounts in respect of the Non-Performing Assets and that it will not be possible to realise any further amounts in respect of the Non-Performing Assets, the date on which such notice expires shall be deemed to be the actual Extended Settlement Date and no further amounts shall be paid by the Issuer in respect of the Warrants following such date.

(ii) On each day in the Extension Period falling three Business Days after the receipt of any amounts by the Issuer in respect of any Non-Performing Asset, the Issuer shall procure that such amounts are paid *pro rata* to the Warrantholders as set out in Condition 8(h)(v) and provided that the Deduction Amounts have been paid in full.

(iii) The Issuer shall appoint an agent (which may be the Swap Counterparty, provided the Swap Counterparty is not the obligor in respect of a relevant Non-Performing Asset, or the Trustee or any other party which the Issuer may appoint with the consent of the Trustee) to assist it in recovering amounts in respect of the Non-Performing Assets (a "**Realisation Agent**"). Any fees, costs and expenses charged and incurred by the relevant Realisation Agent will be deducted from the amounts available to pay Warrantholders or any other Secured Party which is entitled to such amounts.

(iv) If "**Sale of Assets**" is specified in the applicable Final Terms and there is a Non-Performing Asset, the Issuer shall, at the request of the Calculation Agent, procure that any Non-Performing Asset and any other Charged Asset in respect of the relevant Compartment (or the Issuer's rights thereto) which the Issuer is requested by the Calculation Agent to sell shall be sold by the relevant Disposal Agent prior to the Extended Settlement Date and the proceeds from such sale (less any costs or expenses incurred in such sale) will be applied in accordance with the terms of this Condition 8(h) and, if the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, that such sale is not possible in respect of any Non-Performing Asset, it shall be deemed that the amount received in respect of such Non-Performing Asset is equal to zero.

(v) The total amount received in respect of the Charged Assets in the period from, and including, the Maturity Date or the Early Termination Date, as the case may be, to, but excluding, the Extended Settlement Date (the "**Extension Receipts**") shall be deemed to form part of the Liquidation Proceeds as set out in Condition 8(c) provided that, to the extent amounts are owed to Secured Parties other than the Warrantholders in respect of the relevant Series of Warrants, the Issuer shall apply the Extension Receipts in accordance with the applicable Order of Priority which would apply following a Warrant Acceleration in respect of the Warrants and any reference to amounts being paid to the Warrantholders in this Condition 8(f) shall be construed accordingly.

(vi) As used in this Condition 8(h), "**Extension Period**" means the period from, but excluding, the Settlement Date or the Early Termination Date to, and including, the Extended Settlement Date.

9. Compartment Assets

(a) *Compartment Assets*

(i) In respect of any Series of Warrants, "**Compartment**" shall mean the compartment

created by the Board of the Issuer pursuant to the Securitisation Act 2004 under which the Warrants are to be issued. Each Compartment will comprise a pool of Issuer assets and liabilities separate from the pools of Issuer assets and liabilities relating to any other Compartments. In respect of any Series of Warrants, such assets will consist of the Charged Assets (as defined in Condition 9(c) (*Compartment Security*) below), which Charged Assets may include, *inter alia*, the assets specified in the applicable Final Terms as "Compartment Assets" or "Reference Securities" or where such assets are converted into or exchanged for the new assets, such new assets or, in each case any redemption or other proceeds received by the Issuer in respect thereof relating to such exchange or conversion (the "**Compartment Assets**" or "**Reference Securities**").

(ii) Subject to the Trust Deed, in order to meet any part of its obligations under the Warrants in respect of (A) any redemption thereof, (B) any Related Agreements, (C) any agreements for the purchase of the Warrants or (D) any other payments (if any) due from the Issuer under these Conditions and/or the Trust Deed in relation to the Warrants), the Issuer may, at any time, procure the liquidation of some or all of the Compartment Assets.

(iii) In accordance with the Securitisation Act 2004, the Charged Assets are available exclusively to satisfy the rights of the Secured Parties (as defined in Condition 9(e) (*Application of Proceeds*)).

(iv) In connection with the issue of the Warrants there may be executed one or more interest rate and/or currency exchange agreements, credit default swap agreements, swap agreements exchanging payment flows on an asset, total return swap agreements, option agreements and/or other derivative transactions (each a "**Swap Agreement**") between the Issuer and one or more swap counterparties (each a "**Swap Counterparty**") and one or more deposit agreements (each a "**Deposit Agreement**") between the Issuer and one or more deposit counterparties (each a "**Deposit Counterparty**") and one or more repurchase agreements (each a "**Repurchase Agreement**") with BNP Paribas or any other entity as specified in the Final Terms (each a "**Repo Counterparty**" and, together with each Swap Counterparty and Deposit Counterparty, each a "**Counterparty**"). In addition, in connection with any issue of Warrants, the Issuer and the Swap Counterparty may enter into a credit support annex, credit support deed or pledge or such other security interest governed by the law of such other jurisdiction specified in the applicable Final Terms over collateral in favour of the Issuer in connection with any relevant Swap Agreement (a "**Credit Support Annex**", a "**Credit Support Deed**" and a "**Pledge**") respectively and, together with the Swap Agreement, the Deposit Agreement and the Repurchase Agreement, the "**Related Agreements**").

(v) Where no reference is made in the applicable Issue Deed to any Swap Agreement, Repurchase Agreement or Deposit Agreement, references in these Terms and Conditions to any such document or agreement and to any Swap Counterparty, Repo Counterparty or Counterparty, as the case may be, shall not be applicable.

(b) *Custodian; Custody Account; Account Bank; Compartment Account*

(i) Each Custody Account (as defined below), together with such Compartment Assets as are capable of being so held, will be held by the Custodian on behalf of the Issuer, and each Compartment Account (as defined below) will be held by the Account Bank, in each case on and subject to (A) the terms and conditions of the Agency Agreement, (B) the Securitisation Act 2004 and (C) in the cases of the Compartment Assets, the Custody Account and the Compartment Account, the terms and conditions of the Compartment Security created pursuant to the Trust Deed and/or any Additional Security Document. The Issuer reserves the right to replace the Custodian at any time, but only with the prior written consent of the Trustee and in accordance with (x) the provisions of the Securitisation Act 2004 and (y) the relevant CSSF instructions and/or guidelines. Notice

of such change shall be given to the Warrantholders in accordance with Condition 17 (*Notices*). If it is specified in the applicable Final Terms that there is a Sub-Custodian in relation to the Compartment Assets, such Sub-Custodian (which expression shall include any additional or successor sub-custodians from time to time appointed) shall hold such Compartment Assets as are capable of being so held on behalf of the Custodian, on and subject to the terms of an agreement between the Sub-Custodian and the Custodian. References herein to the "**Custodian**" shall, as the context requires, be construed as references to the Custodian, the Sub-Custodian and/or any additional or successor custodians appointed from time to time.

(ii) If the Charged Assets of the Issuer in respect of a Compartment include Compartment Assets, in respect of such Compartment the Custodian (on behalf of the Issuer) shall establish and maintain an account in the name of the Issuer (the "**Custody Account**") with a bank or other financial institution (which shall be the Custodian unless an alternative financial institution is specified in the applicable Final Terms). The Custody Account for the Compartment shall be entirely separate from any other accounts of the Issuer and the Custodian, including, without limitation, the accounts established in connection with any other Compartment(s). Such Compartment Assets shall only be removed from the Custody Account at such times and in such amounts as are contemplated in these Terms and Conditions and the Trust Deed or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Warrants and pursuant to the Trust Deed.

(iii) Where Compartment Account is specified as applicable in the applicable Final Terms, in respect of the relevant Compartment the Issuer shall establish and maintain an account in the name of the Issuer (the "**Compartment Account**") with a bank or other financial institution (which shall be the financial institution specified in the applicable Final Terms, unless no such financial institution is specified in which case it shall be the Account Bank). The Compartment Account for the Compartment shall be entirely separate from any other accounts of the Issuer and the Account Bank, including, without limitation, the accounts established in connection with any other Compartment(s). Amounts standing to the credit of the Compartment Account shall only be removed from the Compartment Account at such times and in such amounts as are contemplated in these Terms and Conditions and the Trust Deed or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Warrants and pursuant to the Trust Deed.

(c) *Compartment Security*

(i) The Issuer has (as specified in the Trust Deed relating to the Warrants or in another relevant security document relating to the Warrants), assigned or created a first fixed charge, and/or other security interest, in each case in favour of the Trustee for itself and as trustee for the Secured Parties, over or in respect of:

(A) the present and future Compartment Assets relating to the relevant Compartment and all of the Issuer's rights, title, interest and benefit, present and future, in respect of sums derived from the present and future Compartment Assets relating to the relevant Compartment (including, without limitation, any proceeds of the sale thereof);

(B) (x) the Issuer's rights, title, interest and benefit, present and future, in, to and under all sums held by the Agents, the Account Bank (including sums standing to the credit of the Compartment Account) and the Custodian to meet payments due in respect of the Warrants relating to the relevant Compartment (the "**Cash Assets**"); (y) any sums of money, securities or other property received or receivable by the Issuer under any Related Agreement (including, without

limitation, any Swap Agreement, any Deposit Agreement and any Repurchase Agreement) relating to the relevant Compartment; and (z) all of the Issuer's rights, title, interest and benefit, present and future, as against the Custodian in respect of any sum standing to the credit of the Custody Account (as defined in Condition 9(b) relating to the relevant Compartment); and

(C) the Issuer's rights, title, interest and benefit, present and future, in, to and under any Transaction Document (including without limitation any Swap Agreement, any Deposit Agreement and any Repurchase Agreement) and any agreement for the sale, transfer and/or delivery of assets relating to the relevant Compartment (as contemplated under Condition 9(a) and any sums received or receivable by the Issuer under any such agreement.

(ii) If it is stated in the applicable Final Terms that the security for the Warrants is "Charged Assets charged to Trustee; additional foreign law security", the Issuer has in the Trust Deed created the security specified in sub-paragraph (i) above and has, in addition and without prejudice to the security specified as aforesaid, executed in favour of the Trustee the pledge or security or other agreement or document specified in the applicable Final Terms (each an "**Additional Security Document**").

(iii) The security described in sub-paragraph (i) and, as the case may be, sub-paragraph (ii) shall be referred to herein as the "**Compartment Security**" and the assets described in sub-paragraph (i) and, as the case may be, sub-paragraph (ii) shall be referred to herein as the "**Charged Assets**".

(d) *General provisions relating to security*

The Compartment Security constituted or created pursuant to the Trust Deed and any Additional Security Document will be granted to the Trustee for itself and for the other Secured Parties (as defined in Condition 9(e) as continuing security for (i) the payment of all sums due to the Trustee or any appointee or any receiver under the Trust Deed and/or any Additional Security Document or due under the Warrants, (ii) the performance of the Issuer's obligations under any Related Agreement (including any Swap Agreement) and (iii) the payment of all sums payable to the Agents pursuant to any provision of the Agency Agreement (including the provisions which require the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) to the Principal Warrant and Certificate Agent or the Registrar for any amount paid out by the Principal Warrant and Certificate Agent or the Registrar, as the case may be, to the Warrantholders before receipt of the corresponding amount due from the Issuer).

(e) *Application of Proceeds*

(i) The Trustee shall (subject to the provisions of the Trust Deed) apply all moneys received by it under the provisions of the Trust Deed and any Additional Security Document in connection with the realisation or enforcement as described in Condition 13 of the Compartment Security constituted by or pursuant to the Trust Deed and any Additional Security Document in accordance with the Order of Priority specified in the applicable Final Terms (such amounts being the "**Available Enforcement Proceeds**").

(ii) By subscribing to or otherwise acquiring the Warrants, each Warrantholder expressly consents to the provisions of this Condition 9(e), the order of priority specified in the applicable Final Terms (the "**Order of Priority**") and the limitation of its rights in accordance with article 64 of the Securitisation Act 2004 and is deemed to have accepted and agreed to such provisions and the consequences thereof. If no Order of Priority is specified in the applicable Final Terms, the Order of Priority shall be Swap Counterparty Priority as set out below.

(iii) If:

(A) "**Swap Counterparty Priority**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Warrants (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement relating to the Warrants. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment;

(5) fifthly, rateably in meeting the claims (if any) of the Warrantholders. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(6) sixthly, in payment of the balance (if any) to the Issuer;

(B) "**Pari Passu Ranking**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Warrants (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement and the Warrantholders. If the moneys received by the Trustee are not enough to pay such amounts in

full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(5) fifthly, in payment of the balance (if any) to the Issuer; and

(C) "**Warrantholder Priority**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Warrants (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Warrantholders. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment;

(5) fifthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(6) sixthly, in payment of the balance (if any) to the Issuer.

"**Secured Parties**" means each of the Trustee, any receiver, the Warrantholders, the Swap Counterparty and the Agents (each, a "**Secured Party**").

(f) *Compartment Assets substitution by Swap Counterparty*

Where this Condition 9(f) is specified as being applicable in the Final Terms then the Compartment Assets may be substituted in whole or in part by the Swap Counterparty.

The Swap Counterparty may substitute the Compartment Assets for:

(i) either securities denominated in the currency specified in the Final Terms issued by the entity specified as the eligible collateral issuer (each, an "**Eligible Compartment Assets Issuer**") in the Final Terms ("**Eligible Compartment Assets Issuer Obligations**"); or

(ii) such other securities, obligations or an amount of cash in the currency in which the principal amount of the existing Compartment Assets is expressed to be payable where "**Alternative Substitution**" is specified in the Final Terms.

The new securities, obligations or cash to be substituted must be in a principal amount equal (or, if in another currency, the equivalent to the principal amount of the currency in which the Compartment Assets are expressed to be payable, as determined on the date of such substitution by

the Swap Counterparty in good faith and in a commercially reasonable manner) to the then fair market value of the Warrants as determined by the Swap Counterparty (or, in the case of a substitution or redemption of part only of the Compartment Assets, of the relevant proportion thereof as at the date of such substitution).

The securities, obligations or cash which may be substituted for the Compartment Assets shall be delivered (or paid, in the case of cash) by the Swap Counterparty to the Custodian or such other relevant Counterparty.

By making any substitution pursuant to this Condition 9(f) the Swap Counterparty shall be deemed to agree with the Issuer and the Trustee that its obligations under the relevant Swap Agreement shall continue in full force and effect irrespective of such substitution and that no termination or adjustment to its obligations thereunder shall occur as a consequence of such substitution.

The Trustee shall, upon notice from the Swap Counterparty (upon which the Trustee may rely without further enquiry) that the conditions for substitution referred to in this Condition 9(f) are met, release the Compartment Assets to be substituted from the security created in respect of it under the Trust Deed. The Issuer, the Trustee and the Swap Counterparty will upon such substitution enter into such further documentation as may be required (if at all) by any applicable law and/or as may be required by the Trustee to give effect to the creation of security over any replacement securities, obligations or cash amounts in the manner set out in this Condition 9(f).

References in these Conditions and the Trust Deed to "**Compartment Assets**" shall be deemed to include any substituted Compartment Assets and references to "**Charged Assets**" shall be deemed to include any additional assets or rights charged or assigned in favour of the Trustee pursuant to such substitution.

Where "Substitution Notification" is specified in the applicable Final Terms, the Issuer shall give notice of any substitution to Warrantholders under this Condition 9(f) in accordance with Condition 17 (*Notices*) and, in relation to any Warrants listed on the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange (or if listed on another stock exchange to such other stock exchange) and will, if required by the rules of the Luxembourg Stock Exchange (or of such other stock exchange), prepare a supplement to any applicable prospectus or such other documents as may be required.

If this Condition 9(f) is applicable, the Trustee and any Warrantholders may at any time require the Issuer to notify them of the composition of the Compartment Assets at such time.

The Swap Counterparty may substitute the Compartment Assets in accordance with this Condition 9(f) without regard to the projected market value of substitute securities or obligations. There is no guarantee that the value of such Compartment Assets in the event of termination of the relevant Swap Agreement, taking into account any termination payment due under such Swap Agreement to or from the Swap Counterparty, will equal or exceed the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be.

(g) *Compartment Assets substitution under a Credit Support Annex, Credit Support Deed or Pledge*

Where the Issuer and the Swap Counterparty have entered into a Credit Support Annex in respect of any Swap Agreement, then the Compartment Assets may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the Credit Support Annex.

The securities, obligations or cash which may be substituted for the Compartment Assets shall be delivered (or paid, in the case of cash) by the Swap Counterparty to the Custodian (or, where an alternative bank or institution is specified as custodian for the Compartment Assets in the applicable Final Terms, to such entity).

By making any substitution pursuant to this Condition 9(g), the Swap Counterparty shall be deemed to agree with the Issuer and the Trustee that its obligations under the relevant Swap Agreement shall continue in full force and effect irrespective of such substitution and that no termination or adjustment to its obligations thereunder shall occur as a consequence of such substitution.

In the case of Compartment Assets substitution under a Credit Support Annex, the Trustee shall, upon notice from the Swap Counterparty (upon which the Trustee may rely without further enquiry) that the conditions for substitution referred to in this Condition 9(g) are met, release the Compartment Assets to be substituted from the security created in respect of it under the Trust Deed. The Issuer, the Trustee and the Swap Counterparty will upon such substitution enter into such further documentation as may be required (if at all) by any applicable law and/or as may be required by the Trustee to give effect to the creation of security over any replacement securities, obligations or cash amounts in the manner set out in this Condition 9(g).

After any substitution, references in these Conditions and the Trust Deed to "**Compartment Assets**" shall be deemed to include any Compartment Assets substituted and references to "**Charged Assets**" shall be deemed to include any additional assets or rights charged or assigned in favour of the Trustee pursuant to such substitution.

Where substitution of the Compartment Assets takes place in accordance with the terms of any credit support annex, the Issuer shall not be obliged to give notice of any substitution to Warrantholders under this Condition 9(g).

If this Condition 9(g) is applicable, the Trustee may at any time require the Issuer to notify it of the composition of the Compartment Assets at such time.

Where the Issuer and the Swap Counterparty have entered into a Credit Support Deed in respect of any Swap Agreement, the collateral secured under the relevant Credit Support Deed may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the relevant Credit Support Deed.

Where the Issuer and the Swap Counterparty have entered into a Pledge in respect of any Swap Agreement, the assets secured under the relevant Pledge may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the relevant Pledge.

The Swap Counterparty may substitute the Compartment Assets in accordance with this Condition 9(g) without regard to the projected market value of substitute securities or obligations. There is no guarantee that the value of such Compartment Assets in the event of termination of the relevant Swap Agreement, taking into account any termination payment due under such Swap Agreement to or from the Swap Counterparty, will equal or exceed the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be.

(h) *Swap Counterparty optional termination*

Where this Condition 9(h) is specified as being applicable in the Final Terms, the Swap Counterparty may (unless it is the Defaulting Party under, and as defined in, the relevant Swap Agreement) opt to terminate a Swap Agreement in whole or in part in accordance with either or both of the methods set out below (as specified in the Final Terms).

(i) *Cancellation following Swap Counterparty optional termination*

Where "**Swap Counterparty optional termination - Call option**" is specified as being applicable in the Final Terms, the following will apply:

The Swap Counterparty may opt to terminate a Swap Agreement in whole or in part on either on any date specified as being applicable in the Final Terms upon the number of Business Days' notice specified as being applicable in the Final Terms.

Such optional termination will lead to early termination in whole or in part, as the case may be, of the Warrants in the manner set out in this Condition 9(h).

Within two Business Days of service by the Swap Counterparty of a notice that it has opted to terminate a Swap Agreement in whole or in part on any date (where it has such right as so specified in the Final Terms) nominated by the Swap Counterparty (the "**Nominated Termination Date**"), the Issuer shall notify the relevant Warrantholders in accordance with Condition 17 (Notices) of the early termination of the Warrants in whole or in part on such Nominated Termination Date and subject to Condition 8(c) (*Early Termination Events*) shall terminate the relevant Warrants at their fair market value on such Nominated Termination Date.

If any such termination becomes due to be made by the Issuer in accordance with this Condition 9 and payment to the Warrantholders pursuant hereto is not made, the security constituted by the Trust Deed shall become enforceable and the Trustee may take such action as is provided in Condition 11 (*Events of Default*) or the Master Trust Terms.

(ii) *Repurchase:*

Where this Condition 9(h)(ii) is specified as being applicable in the Final Terms, the Swap Counterparty may opt to terminate a Swap Agreement upon service of written notice on the Issuer with a copy to the Trustee, in whole or in part and without payment by either party, if any of the Warrants to which that transaction relates are purchased by or on behalf of the Swap Counterparty or any of its subsidiaries or affiliates ("**Purchased Warrants**"). Where such option is exercised, such Swap Agreement will terminate *pro rata* in the proportion (the "**Proportion**") that the aggregate number of the Purchased Warrants bears to the number of the Warrants remaining unexercised immediately prior to the purchase of the Purchased Warrants by the Swap Counterparty or any of its subsidiaries or affiliates. Upon service of such notice, the Swap Counterparty will be either (A) authorised by the Issuer to take delivery of and/or deliver and/or realise on the Issuer's behalf the Proportion of the Charged Assets (if any) charged to or otherwise secured in favour of the Trustee under the Trust Deed or (B) entitled to payment of an amount equal to the Proportion of the Charged Assets where the Charged Assets is constituted by cash ("**Realised Collateral**"). The Realised Collateral will be payable or deliverable, as the case may be, by the Issuer to or to the order of the Swap Counterparty, in the contractual currency paid by the Issuer under the relevant Swap Agreement (where the Realised Collateral is not being delivered). Upon receipt of the Realised Collateral, the Swap Counterparty will deliver to the Principal Warrant and Certificate Agent the Purchased Warrants for cancellation. In such circumstances:

(1) the Issuer will be deemed to have consented to the Trustee releasing the Realised Collateral to the Swap Counterparty upon termination of the relevant Swap Agreement in the manner described in this Condition 9(h);

(2) where relevant, the Swap Counterparty, on behalf of the Issuer, will be deemed to be authorised by the Issuer to realise the Proportion of the Charged Assets; and

(3) the Trustee will, unless an Event of Default or a Potential Event of Default has occurred, be deemed to release the Realised Collateral from the security created in respect of it under the Trust Deed.

(i) *Residual Shortfall*

In the case of Warrants (but without prejudice to the rights of a holder of Guaranteed Warrants under the Guarantee (if applicable)), if the net proceeds of the realisation or enforcement of the Charged Assets created pursuant to the Trust Deed and/or any Additional Security Document in respect of the Charged Assets following payment of all prior ranking amounts (the "**Net Proceeds**") are not sufficient to make all payments due in respect of such Warrants, then:

(i) the obligations of the Issuer in respect of such Warrants will be limited to such Net Proceeds and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall have any claim in respect of any asset of the Issuer not forming part of the Charged Assets; and

(ii) the Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any Warrantholder's right to receive any further sums in respect of any Residual Shortfall shall be extinguished in full, and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall be entitled to take any further steps against the Issuer or the Trustee to recover any such Residual Shortfall.

No Secured Party nor any party to the Trust Deed shall be entitled to petition or take any other step for the winding-up of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*insolvabilité liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of an examiner in respect of the Issuer (including, without limitation, the appointment of any receiver (*curateur*) (except any receiver appointed by the Trustee pursuant to the Trust Deed), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur),* deputy judge (*juge délégué)* or reporting judge *(juge commissaire*)). Failure by the Issuer to make any payment in respect of any Residual Shortfall shall in no circumstances constitute an Event of Default under Condition 11.

In this Condition, "**Residual Shortfall**" means the difference, if any, between the Net Proceeds and the aggregate amount which would have been due under the Warrants but for the operation of this Condition 9(i).

(j) *Issuer's rights as holder of Compartment Assets*

The Issuer may exercise any rights in its capacity as holder of the Compartment Assets (including, without limitation, a right to vote or any analogous right howsoever described) only with the consent of the Trustee (or as directed in writing by the respective holders of at least 25 per cent. (by number) of the Warrants then unexercised or as directed by an Extraordinary Resolution of the Warrantholders) and (except in relation to the Swap Agreement) the Swap Counterparty and, if such direction is given, the Issuer will act in accordance with such directions, unless such instructions are in the reasonable opinion of the Issuer contrary to applicable laws, regulations and/or circular letters issued by the Issuer's supervisory authority or materially detrimental to the interests of the Issuer. In particular, the Issuer will not attend or vote at any meeting of holders of the Compartment Assets, or give any consent or notification or make any declaration in relation to the Compartment Assets, save with the consent of the Trustee (or as directed in writing by the respective holders of at least 25 per cent. (by number) of Warrants then unexercised or as directed by an Extraordinary Resolution of each of the Warrantholders) and the Swap Counterparty. In the event of a conflict between the instructions of the Trustee (or the Warrantholders) and the Swap Counterparty, the instructions of the Instructing Party will prevail.

In these Conditions "**Instructing Party**" means if "Swap Counterparty Priority" applies the Swap Counterparty (except in relation to the Swap Agreement, or where it is the Defaulting Party under,

and as defined in, the relevant Swap Agreement, in which case the Instructing Party will be the Warrantholders) and if either "Warrantholder Priority" or "Pari-Passu Ranking" applies, the Warrantholders.

(k) *Swap termination*

Notwithstanding the terms of Condition 9(j) (*Issuer's rights as holder of Compartment Assets*), where "**Swap Termination Without Cancellation**" is specified as applicable in the applicable Final Terms and where an Event of Default (as defined in the Swap Agreement) occurs under the Swap Agreement in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement), following notification of such Event of Default by the Issuer to the Trustee (a "**Swap Default**"), the Trustee shall promptly, and in any event not later than five Business Days after such notification, instruct the Issuer to deliver, in respect of the Swap Agreement (where such agreement is constituted by a 2002 Master Agreement published by the International Swaps and Derivatives Association, Inc. (the "**Master Agreement**") and schedule thereto and any confirmations thereunder), a notice under Section 6(a) of the Master Agreement designating an Early Termination Date (as defined in the Swap Agreement). In such circumstances, the Issuer (with the consent of the Trustee) may appoint an agent (a "**Termination Agent**") to assist it in terminating the Swap Agreement and making any calculations necessary in connection with such termination. A *pro rata* share of the amount, if any and subject to a minimum of zero, equal to (i) the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement (2) any interest which has accrued on the amount received by the Issuer (which may be a positive or negative amount) and (3) the Unused Charged Assets Proceeds less (ii) the costs and expenses of the Trustee and any costs and expenses of the Termination Agent incurred in connection with the termination of the Swap Agreement shall be paid by the Issuer to the Warrantholders on a *pro rata* and *pari passu* basis on the Settlement Date. If the Issuer does not receive the Early Termination Amount on or prior to the Settlement Date, Condition 8(h) will apply. For the purposes of this Condition 9(k), "**Unused Charged Assets Proceeds**" means any amounts received by the Issuer from the Charged Assets other than the Swap Agreement which have not been used on or prior to the Settlement Date to pay Cash Settlement Amounts otherwise payable in respect of the Warrants, amounts due to the Swap Counterparty under the Swap Agreement (including in respect of any Early Termination Amount due to the Swap Counterparty) and/or any fees, costs or expenses due to the Trustee and/or any of the Agents.

10. Expenses and Taxation

All payments in respect of the Warrants or under the 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 authority, unless such withholding or deduction is required by law, including, without limitation, 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, official interpretations thereof, or any law implementing an intergovernmental approach thereto, in which case the Issuer or, as the case may be, the Guarantor shall make all payments net of such withholding or deduction. Such withholding or deduction shall not constitute an Event of Default under Condition 11.

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 of such Warrants and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Warrants ("**Exercise Expenses**") relating to such Warrants shall be for the account of the Warrantholder. The Issuer shall deduct from amounts payable or from assets deliverable to Warrantholders all Related

Expenses, not previously deducted from amounts paid or assets delivered to Warrantholders, as the Calculation Agent shall in good faith and in a commercially reasonable manner determine are attributable to the Warrants. Such deduction by the Issuer shall not constitute an Event of Default under Condition 11.

For the avoidance of doubt, neither the Issuer, the Trustee nor the Guarantor (if applicable) shall be liable for any Related Expenses and Warrantholders shall be liable to pay the Related Expenses attributable to their Warrants.

"**Expenses**" means Exercise 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:

(ix) the issue, transfer or enforcement of the Warrants;

(x) any payment (or delivery of assets) to Warrantholders;

(xi) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (has such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in good faith and in a commercially reasonable manner, may determine to be appropriate as a hedge or related trading position in connection with the Warrants; or

(xii) any of the Swap Counterparty's or any Affiliate's other hedging arrangements in connection with the Warrants.

"**Relevant Date**" in respect of any Warrant means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of materialised Warrants (if earlier) the date seven days after that on which notice is duly given to the Warrantholders that, upon further presentation of the Warrant, being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**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 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.

11. Events of Default

(a) The Trustee at its discretion may (subject as provided in sub-paragraph (b) below), and if so requested in writing by the holders of at least 25 per cent. (by number) of the Warrants of any Series then remaining unexercised, or if so directed by an Extraordinary Resolution of such holders, shall, subject in each case to being indemnified and/or secured to its satisfaction, give notice to the Issuer and the Guarantor (if applicable) that the Warrantholders are, and they shall accordingly forthwith become, (unless otherwise specified in the Final Terms) entitled to the

Liquidation Proceeds (such occurrence, a "**Warrant Acceleration**") upon the occurrence of any of the following events (each an "**Event of Default**"):

(i) a default is made for a period of 30 days or more in the payment of any sum due or the delivery of the Entitlement deliverable in respect of the Warrants; or

(ii) the Issuer fails to perform or observe any of its other obligations under the Warrants or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 45 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

(iii) any order is made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*insolvabilité, liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of a receiver of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), deputy judge (*juge délégué*) or reporting judge (*juge commissaire*)) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Warrantholders; or

(iv) in the case of Guaranteed Warrants, the Guarantee ceases to be in full force and effect in respect of the Warrants or notice is given by the Guarantor (if applicable) which would cause the Guarantee to cease to be in full force and effect in respect of such Warrants or is rendered void for any cause or by any means whatsoever or any legislation is introduced the result of which would be to remove the benefit of the Guarantee from the Warrants or terminate or amend the same in a manner (in the opinion of the Trustee) materially adverse to the interests of the Warrantholders, or the Guarantor (if applicable) is unable to perform its obligations thereunder for any reason.

(b) The Trust Deed provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default has occurred or is continuing.

12. Definitions

In these Conditions:

"**Actual Exercise Date**" means the Exercise Date 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 4).

"**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.

"**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 specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, 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 Specified Currency (any such centre, an "**Additional Business Centre**" and which, if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day (a "**TARGET Settlement Day**") on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ("**TARGET2**") payment system which utilises a single platform and which was launched on 19 November 2007 (or, if such system ceases to be operative, such system (if any) determined by the Calculation Agent to be a suitable replacement) (the "**TARGET System**") is open.

"**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 Warrantholder 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) rounded down as provided in Condition 4(d)(i), as determined by the Calculation Agent including any documents evidencing such Entitlement.

"**Expenses**" means all costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Entitlement.

"**Exercise Price**" means the exercise price(s) specified in the applicable Final Terms.

"**Expiration Date**" means in the case of American Style Warrants the last day of the Exercise Period or, in the case of European Style Warrants, the Exercise Date.

"**fair market value**" means the fair market value as determined by the Calculation Agent (unless otherwise specified).

"**Local Time**" means local time in the city of the relevant Clearing System.

"**Relevant Asset**" means the Relevant Asset specified in the applicable Final Terms.

"**Relevant Jurisdiction**" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the Fund or the Fund Units or the Debt Securities are issued (or in which the issuer of such Shares or Fund Units is incorporated) or the Index is based, as specified 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 Inflation Linked Warrants) 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 Linked Warrants relating to a Basket of Indices, Share Linked Warrants relating to a Basket of Shares, GDRs and/or ADRs, Debt Linked Warrants relating to a Basket of Debt Securities, Commodity Linked Warrants relating to a Basket of Commodities or Commodity Indices, Fund Linked Warrants relating to a Basket of fund shares, Underlying Interest Rate Linked Warrants, ETI Linked Warrants relating to a Basket of ETIs and the occurrence of

a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, GDRs and/or ADRs, Debt Securities, Commodities or Commodity Indices, Fund Shares or ETIs, 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, GDR or ADR, Debt Security, Commodity or Commodity Index, Fund Share or ETI, 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 Linked Warrants relating to a Basket of Indices, Share Linked Warrants relating to a Basket of Shares, GDRs and/or ADRs, Debt Linked Warrants relating to a basket of Debt Securities, Commodity Linked Warrants relating to a basket of Commodities or Commodity Indices, Fund Linked Warrants relating to a Basket of Fund Shares, Underlying Interest Rate Linked Warrants relating to a basket of Underlying Interest Rates, ETI Linked Warrants relating to a basket of ETIs and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, GDRs and/or ADRs, Debt Securities, Commodities or Commodity Indices, Fund Shares or ETIs 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, GDR and/or ADR, Debt Security, Commodity or Commodity Index, Fund Share or ETI or Reference Entity, as the case may be; or

(ii) in respect of Inflation Linked Warrants, 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.

13. Enforcement and Realisation

Upon the occurrence of a Warrant Acceleration under Condition 11, the Compartment Security constituted by or created pursuant to the Trust Deed and any Additional Security Document relating to a Series of Warrants and the Compartment to which such Series relates, shall become enforceable. The Trustee may enforce the Compartment Security at any time after it has become enforceable but is only obliged to enforce the Compartment Security if directed to do so by (a) (where the Instructing Party is the Warrantholder) either a direction in writing by Warrantholders of at least 25 per cent. (by number) of the relevant Series of Warrants or by an Extraordinary Resolution of the Warrantholders; or (b) (where the Instructing Party is the Swap Counterparty) a written direction of the Swap Counterparty. The Trustee or any appointee or receiver appointed thereby may enforce the security by one or more of the following:

(i) endeavouring to sell or otherwise realise the Charged Assets (including, without limitation, by terminating, closing out or enforcing any Related Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Charged Assets) in accordance with the provisions of the Trust Deed; and/or

(ii) otherwise enforcing the Compartment Security constituted by or pursuant to the Trust Deed and/or any Additional Security Document, in each case, without any liability as to the consequences of any such action and without having regard to the effect of any such action on individual Warrantholders,

provided that the Trustee shall not be required to take any such action without first being indemnified and/or secured to its satisfaction or to do anything which is or may be contrary to any applicable law or regulation.

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Parties.

14. Meetings of the Warrantholders; Modifications; Waiver; Trustee Determination; Substitution; Entitlement of the Trustee

(a) *Meetings of the Warrantholders*

The Trust Deed contains provisions for convening meetings of Warrantholders of each Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Warrants (including these Conditions or the provisions of the Master Trust Terms and the relevant Issue Deed insofar as the same may apply to such Warrants). The quorum at a meeting of the Warrantholders (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 the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Warrants for the time being remaining unexercised or, at any adjourned such meeting, two or more person holding or representing not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by the Warrantholders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Warrantholders, whether present or not, except that any Extraordinary Resolution proposed to address a Reserved Matter will only be binding if passed at a meeting of the Warrantholders, the quorum at which shall be persons holding or representing not less than 75 per cent. (by number) of the Warrants for the time being remaining unexercised or, at any adjourned meeting, not less than 25 per cent. (by number) of the Warrants for the time being remaining unexercised.

The holder of a Global Warrant representing all (or part) of the Warrants for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 90 per cent. (including in the case of a resolution proposed to address a Reserved Matter (as defined in the Trust Deed)) (by number) of the Warrants of such Series for the time being remaining unexercised shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of the Warrantholders.

The provisions of articles 86 to 97 of the Luxembourg Act dated 10th August, 1915 on commercial companies, as amended, shall not apply to the Warrants.

(b) *Modification*

The Trustee may, in respect of each Series, without the consent of the Warrantholders, agree to (i) any modification to any Transaction Document or any other agreement to which the Issuer is a party which is of a formal, minor or technical nature or is made to correct a manifest error; (ii) any modification of any of the provisions of the Trust Deed or any other Transaction Document (other than in respect of a Warrant Reserved Matter) which in the opinion of the Trustee is not materially prejudicial to the interests of the Warrantholders; and (iii) any modification of the provisions of the Trust Deed or any other Transaction Document (other than in respect of a Warrant Reserved Matter) which is made to satisfy any requirement of any stock exchange on which the Warrants are or are proposed to be listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the interests of the Warrantholders.

Notice of such modification shall be notified by the Issuer to the Warrantholders as soon as practicable thereafter in accordance with Condition 17 unless the Trustee agrees otherwise.

(c) *Waiver*

The Trustee may, in respect of any Series, without the consent of the Warrantholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Warrantholders shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer or (if applicable) the Guarantor of any of the covenants or provisions in the Trust Deed or the Conditions or determine that any Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee shall not exercise any powers conferred on it by this Condition 14(c) in respect of any Warrant Reserved Matter or in contravention of any express direction given by an Extraordinary Resolution of the Warrantholders, but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Warrantholders of such Series.
Notice of any such waiver, authorisation or determination shall be notified by the Issuer to the Warrantholders as soon as practicable thereafter in accordance with Condition 17 unless the Trustee agrees otherwise.

(d) *Trustee Determination*

If, in the opinion of the Trustee, any modification, waiver, authorisation or determination referred to in paragraphs (b)(ii) or (iii) and (c) of this Condition 14 affects the interests of the holders of any Series of Warrants, the Trustee shall agree to such modification, waiver, authorisation or determination only if either (i) it is satisfied that, in its opinion, the interests of the holders of the relevant Series of Warrants will not be materially prejudiced thereby or (ii) the holders of the relevant Series of Warrants sanction such modification, waiver, authorisation or determination by way of Extraordinary Resolution, each of (i) and (ii) in accordance with the Conditions of the relevant Series of Warrants.

(e) *Substitution*

The Trust Deed contains provisions permitting the Trustee, subject to the further conditions set out in the Trust Deed and such amendment of the Trust Deed and other conditions as the Trustee may require, but without the consent of the holders of the relevant Series of Warrants, to agree with the Issuer and the Guarantor (if applicable) to the substitution, in respect of any Series of Warrants, in place of the Issuer (or of the previous substitute), as the principal debtor under the Warrants of such Series, or, when applicable, the Guarantor, as guarantor of the payment obligations of the Issuer under the relevant Series of Warrants, of any other company (such substituted company being hereinafter called the "**Substitute Company**").

Not later than 14 days after the execution of such amendment and compliance with such conditions as aforesaid, the Substitute Company shall give notice thereof in a form previously approved by the Trustee to the relevant Warrantholders in the manner provided in accordance with Condition 17.

(f) *Entitlement of the Trustee*

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

15. Further Warrants

The Issuer may from time to time without the consent of the Warrantholders (but provided that the Trustee is satisfied that the restrictions set out in this Condition 15 will be complied with), create and issue further Warrants ("**Further Warrants**") having the same terms and conditions as the Warrants in all respects (or in all respects except for the Issue Date and issue price) and so that the same shall be consolidated and form a single series with such Warrants provided that (unless otherwise approved by an Extraordinary Resolution of the Warrantholders):

(a) The Issuer provides additional security for such Further Warrants that comprises assets that are fungible with, and have the same proportionate composition as, the Charged Assets in respect of the relevant existing Warrants and that has an aggregate principal amount at least equal to the product of (i) the principal amount of such existing security and (ii) a fraction, the numerator of which is the number of the Further Warrants and the denominator is the aggregate number of the existing Warrants; and

(b) The Issuer enters into an additional and/or supplemental agreement varying the terms of the relevant Swap Agreement, Repurchase Agreement or Deposit Agreement, as applicable, to take account of the Further Warrants on terms no less favourable than those of the Swap Agreement, Repurchase Agreement or Deposit Agreement, as applicable.

Any Further Warrants shall be constituted and secured by a supplemental trust deed and the Warrants and the Further Warrants shall be secured by the same Charged Assets. References in these Conditions to "**Warrants**" and "**Charged Assets**" shall be construed accordingly.

16. Removal, Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the appointment, retirement and removal of the Trustee. The Issuer shall as soon as practicable after the appointment of a new trustee notify the Warrantholders of such appointment in accordance with Condition 17.

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Compartment Assets or for the value, validity, sufficiency and enforceability (which the Trustee has not investigated) of the Compartment Security created over the Charged Assets. The Trustee is not obliged to take any action under the Trust Deed, the Warrants or otherwise unless indemnified and/or secured to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, the Guarantor, any issuer or guarantor (where applicable) of any of the Charged Assets any party other than the Issuer under a Related Agreement (including, without limitation, the Swap Counterparty), or any of their subsidiary, holding or associated companies without accounting to the Warrantholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value (as appropriate) of the Charged Assets from any obligation to insure or to procure the insuring of the Charged Assets (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Charged Assets are held in an account with a clearing agent in accordance with that relevant clearing agent's rules or otherwise held in safe custody by the Custodian or any custodian whether or not selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by (i) the Issuer of its own obligations and (ii) any other person of their obligations to the Issuer.

For the purposes of this Condition 16, each of the Issuer and, as the case may be, the Guarantor expressly accepts and confirms, for the purposes of articles 1278 and 1281 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under and made in accordance with the provisions of the Trust Deed or any agreement referred to therein to

which the Issuer and, as the case may be, the Guarantor are party, any security created or guarantee given under the Trust Deed shall be reserved for the benefit of the new trustee (for itself and for the benefit of each other Secured Party).

17. Notices

All notices regarding the Warrants shall be valid if: (a) in the case of Warrants represented by a Global Warrant, delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the Warrantholders; (b) so long as any Warrants are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of such stock exchange or relevant authority so require, in accordance with such rules; or (c) in the case of Registered Warrants if sent by first class mail to the Warrantholders (or the first named of joint Warrantholders) at their respective addresses recorded in the Register. If and for so long as the Warrants are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, and so long as the Luxembourg Stock Exchange so require, notices shall be made available on the Luxembourg Stock Exchange's website, www.bourse.lu. Any such notice shall be deemed to have been given on the Business Day on which such delivery takes place or, if earlier, the date of such publication, or, if published more than once, on the date of the first such publication.

If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Whilst any of the Warrants are represented by a Global Warrant, such notice may be given by any Warrantholder to the Principal Warrant and Certificate Agent or the Registrar (as applicable) via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Warrant and Certificate Agent or the Registrar (as applicable) and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

18. Adjustments for European Monetary Union

The Issuer may, without the consent of the Warrantholders or the Trustee, on giving notice to the Warrantholders in accordance with Condition 17 (*Notices*):

(a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants shall be redenominated in euro.

The election will have effect as follows:

(i) where the Settlement Currency of the Warrants 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 Calculation Agent may decide, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in euro as though references in the Warrants to the Settlement Currency were to euro;

(ii) where the Exchange Rate and/or any other terms of these 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 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 Conditions as the Calculation Agent may decide 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 and/or any other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent, in good faith and in a commercially reasonable manner, 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 and/or such other terms of these Conditions.

Notwithstanding the foregoing, none of the Issuer, the Guarantor (if any), the Calculation Agent, the Principal Warrant and Certificate Agent and the Trustee shall be liable to any Warrantholder 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 these Conditions, the following expressions have the following meanings:

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Warrantholders 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

"**Settlement Currency**" shall be the currency specified as such in the applicable Final Terms.

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

19. Contracts (Rights of Third Parties) Act 1999

The Warrants shall not confer on a third party any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Warrants, but this does not affect any right or remedy of a third party which may exist or is available apart from that Act.

20. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Master Trust Terms and the Issue Deed (save to the extent that the Master Trust Terms and/or the Issue Deed relates to security interests created over assets located or deemed to be located in Luxembourg) and the Warrants (and any non-contractual obligations arising out of or in connection with such documents) are (or, as the case may be, shall be) governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees, for the exclusive benefit of the Warrantholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Warrants (including a dispute relating to non-contractual obligations arising out of such Warrants) and accordingly any suit, action or proceedings arising out of or in connection with the Warrants may be brought in such courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Warrantholder may take any suit, action or proceedings

(together referred to as "**Proceedings**") arising out of or in connection with the Warrants (including Proceedings relating to any non-contractual obligations arising out of or in connection with such Warrants) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

The Issuer appoints BNP Paribas, London Branch, of 10 Harewood Avenue, London NW1 6AA (Attention: the Loan Administration Department), as its agent for service of process, and undertakes that, in the event of BNP Paribas, London Branch ceasing so to act or ceasing to be registered in England, it will appoint, subject to the prior written approval of the Trustee, another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

The Issuer has in the Trust Deed submitted to the jurisdiction of the English courts and has appointed an agent for service of process in terms substantially similar to those set out above.

TERMS AND CONDITIONS OF THE CERTIFICATES

*The following are the Terms and Conditions of the Certificates, which will include the additional terms and conditions for payouts for Securities contained in Annex 1, Annex 2 in the case of Index Linked Certificates, Annex 3 in the case of Share Linked Certificates, Annex 4 in the case of Debt Linked Certificates, Annex 5 in the case of Commodity Linked Certificates, Annex 6 in the case of Inflation Linked Certificates, Annex 7 in the case of Currency Linked Certificates, Annex 8 in the case of Fund Linked Certificates, Annex 9 in the case of Underlying Interest Rate Linked Certificates, Annex 10 in the case of Credit Linked Certificates and Annex 11 in the case of ETI Linked Certificates or any other Annex (each an "**Annex**" and together the "**Annexes**" which may be added from time to time) which will be incorporated by reference into each Global Certificate.*

*The Terms and Conditions of any Certificates will be completed either by the applicable Final Terms or, in circumstances where Certificates are not issued on the basis of this Base Prospectus, by issue specific terms prepared in accordance with any such issue ("**Issue Specific Terms**"). Where the Terms and Conditions of any Certificates are completed by Issue Specific Terms, references herein and in the Annexes to the "Final Terms" shall be deemed to be references to the "Issue Specific Terms" relating to such Certificates.*

The applicable Final Terms or Issue Specific Terms (or the relevant provisions thereof) will be endorsed on, attached to or incorporated by reference in, each Global Certificate. Reference should be made to the section headed "Applicable Certificate Final Terms" above for a description of the content of Final Terms or Issue Specific Terms, as the case may be, which will specify which of such terms is to apply in relation to the relevant Certificates.

This Certificate is one of a Series (as defined below) of Certificates issued by SecurAsset S.A. (the "**Issuer**"), a regulated securitisation undertaking within the meaning of the Luxembourg Act dated 22 March 2004 on securitisation, as amended (the "**Securitisation Act 2004**", which term shall include such act as modified, amended or re-enacted from time to time), constituted and secured by relevant issue deed dated the date of issue of the Certificates (the "**Issue Date**") between, *inter alia*, the Issuer, the Trustee and the persons specified therein as a Swap Counterparty and/or Deposit Counterparty and/or Repo Counterparty (each as defined in Condition 9 (*Compartment Assets*)) (the "**Issue Deed**") which incorporates master trust terms between the Issuer and BNP Paribas Trust Corporation UK Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)) as trustee for the Certificateholders (as defined below) (the "**Master Trust Terms**", together with the Issue Deed, the "**Trust Deed**")). References herein to the "Issuer" shall include the Substitute Company as defined in Condition 15(e) (*Substitution*), in the case of any substitution of the Issuer in accordance with that Condition.

References herein to the Certificates shall be references to the Certificates of this Series and shall mean:

(a) Certificates held by a Common Depositary on behalf of Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or Euroclear Bank S.A./N.V. ("**Euroclear**"), and/or any other relevant clearing system ("**Clearing System Certificates**") constituted by a clearing system global Certificate (a "**Clearing System Global Certificate**"); and

(b) any global Certificate in registered form ("**Registered Global Certificate(s)**" and, together with a Clearing System Global Certificate, each a "**Global Certificate**").

Each Series (and/or Tranche, as the case may be) of Certificates will be either Clearing System Certificates or Registered Certificates issued outside the United States in transactions not subject to the registration requirements of the Securities Act in reliance on the exemption from registration provided by Regulation S.

Clearing System Certificates will on issue be represented by a Clearing System Global Certificate as specified in the applicable Final Terms. Registered Certificates will on issue be represented by a Registered Global Certificate which will be exchangeable for definitive Registered Certificates in certain

circumstances set out in such Registered Global Certificate. Interests in a Clearing System Global Certificate may not be exchanged for interests in a Registered Global Certificate and vice versa.

The Certificates have the benefit of an agency agreement dated 6 February 2009, as most recently amended and restated on 27 November 2015 (the "**Agency Agreement**", which expression includes the same as it may be modified and/or supplemented and/or restated from time to time) and made between, *inter alia*, the Issuer, the Trustee, BNP Paribas Arbitrage S.N.C. as calculation agent (the "**Calculation Agent**"), which expression shall include any additional or successor calculation agents specified in the applicable Final Terms), BNP Paribas Securities Services, Luxembourg Branch as account bank (where specified in the applicable Final Terms) (the "**Account Bank**"), BNP Paribas Securities Services, Luxembourg Branch as principal warrant and certificate agent, registrar and, where specified in the applicable Final Terms, the custodian and cash manager (the "**Principal Warrant and Certificate Agent**"), the "**Registrar**", the "**Custodian**" and the "**Cash Manager**" respectively, which expressions shall include, in each case, any additional, alternative or successor agents specified in the applicable Final Terms) and the other warrant and certificate agents named therein (together with the Principal Warrant and Certificate Agent and the Registrar, the "**Warrant and Certificate Agents**", which expression shall include any additional or successor warrant and certificate agents). The Warrant and Certificate Agents, the Calculation Agent, the Cash Manager and the Custodian shall be referred to collectively herein as the "**Agents**". The Certificates, the Trust Deed, the Agency Agreement (together with any supplements thereto), the Dealer Agreement and any other Related Agreements are together referred to as the "**Transaction Documents**".

The Trustee acts for the benefit of the holders for the time being of the Certificates which expression shall mean, in the case of Clearing System Global Certificates, the Certificateholders and, in the case of Registered Global Certificates, the persons in whose name the Certificates are registered, and shall, in relation to any Certificates represented by a Global Certificate, be construed as provided in Condition 1 below. The Trustee also holds the Compartment Security granted by the Issuer for itself and the other Secured Parties (as defined below).

Any reference herein to "**Euroclear**" and/or "**Clearstream, Luxembourg**" (each term as defined above) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms, approved by the Issuer, the Guarantor (if applicable), the Trustee, the Principal Warrant and Certificate Agent, the Registrar (in the case of Certificates in registered form ("**Registered Certificates**") only) and, in the case of Certificates listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange.

The Final Terms for the Certificates (or other relevant provisions thereof) are set out in the Final Terms that are endorsed on, attached to or incorporated by reference in this Certificate and which complete these terms and conditions (the "**Terms and Conditions**" or the "**Conditions**").

As used herein, "**Tranche**" means Certificates which are identical in all respects and "**Series**" means a Tranche of Certificates together with any further Tranche or Tranches of Certificates which are (a) expressed to be consolidated and form a single series with the original Tranche and (b) identical in all respects except for their respective Issue Dates, Interest Commencement Dates, and/or Issue Prices, as applicable.

Copies of the Master Trust Terms and the Agency Agreement are available for inspection by Certificateholders during normal business hours from the specified offices of the Warrant and Certificate Agents. Copies of the applicable Final Terms are available for viewing by Certificateholders at www.bourse.lu and copies may be obtained from the specified office of the Principal Warrant and Warrant and Certificate Agent save that, if this Certificate is a Private Placement Certificate (as defined below) which has not been offered to the public in Luxembourg, the applicable Final Terms will only be obtainable by a Certificateholder holding one or more such Certificates and such Certificateholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Warrant and Certificate Agent as to its holding of such Certificates and identity. The Certificateholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms. The statements in the Conditions include summaries of, and are subject to, the detailed

provisions of the Trust Deed (as such term is defined in the Master Trust Terms). In this paragraph, "**Private Placement Certificate**" means any Certificate that is not (i) offered to the public in the EEA for the purposes of article 3.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**") (except as specified under article 3.2 of the Prospectus Directive) or (ii) admitted to trading in the EEA for the purposes of article 3.3 of the Prospectus Directive.

By subscribing to, or otherwise acquiring, the Certificates, each Certificateholder expressly acknowledges and agrees that:

(a) the Issuer (i) is subject to the Securitisation Act 2004 and (ii) in connection with the Certificates has created a specific Compartment, which Compartment shall be identified by the number and/or name ascribed to it in the applicable Final Terms, to which all assets, rights, claims and agreements relating to the Certificates will be allocated, subject as provided in the applicable Final Terms;

(b) the provisions with respect to the Order of Priority specified in the applicable Final Terms will apply;

(c) all payments to be made by the Issuer in respect of the Certificates and the related Swap Agreement (if any) will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Charged Assets and, following a Certificate Acceleration in respect of the Certificate, the entitlement of the Certificateholder will be limited to such Certificateholder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms and not to the assets allocated to other compartments created by the Issuer or to any other assets of the Issuer and, in the case of Guaranteed Certificates, sums obtained on *its* behalf by the Trustee, making a claim under the Guarantee, subject to the terms set out in the applicable Final Terms and the relevant provisions of the Guarantee;

(d) once all moneys received by the Trustee in connection with the enforcement of the Compartment Security over the Charged Assets have been applied in accordance with the Order of Priority set out in the applicable Final Terms and in the Master Trust Terms, it is not entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished;

(e) it shall have no right to attach or otherwise seize the Charged Assets (subject as provided above), or any other assets of the Issuer, including, without limitation, any assets allocated to any other compartments of the Issuer; and

(f) no Certificateholder shall be entitled to petition or take any other step for the liquidation, winding-up or the bankruptcy of the Issuer or any similar proceedings.

Words and expressions defined in the Master Trust Terms or 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, and provided that, in the event of any inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

Certificates may not be exercised, and the securities may not be delivered upon exercise, in the United States or to, or for the account of or benefit of a U.S. Person as defined in Regulation S.

1. Type, title and transfer

(a) *Type*

The Certificates relate to a specified Index or Basket of Indices ("**Index Linked Certificates**"), a specified Share (including a specified depositary receipt (a "**GDR/ADR**")) or Basket of Shares or a

basket of GDRs and/or ADRs ("**Share Linked Certificates**"), a specified debt security or basket of debt securities ("**Debt Linked Certificates**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Linked Certificates**"), a specified inflation index or basket of inflation Indices ("**Inflation Linked Certificates**"), a specified currency or basket of currencies ("**Currency Linked Certificates**"), a specified fund share or unit or basket of fund shares or units ("**Fund Linked Certificates**"), underlying interest rate linked certificates ("**Underlying Interest Rate Linked Certificates**"), the credit of a specified reference entity or entities ("**Credit Linked Certificates**"), a specified interest in an exchange traded fund, an exchange traded Certificate, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or benefit of interests in exchange traded instruments ("**ETI Linked Certificates**") or any other or further type of Certificates as is specified in the applicable Final Terms including Certificates which relate to any combination of such indices, shares, debt securities, commodities, inflation indices, currencies, fund shares or units, underlying interest rates and other asset classes or types ("**Hybrid Certificates**").

If the Certificates are Hybrid Certificates and Hybrid Certificates is specified as applicable in the applicable Final Terms, the terms and conditions of the Certificates 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. "**Hybrid Business Day**" has the meaning given to such term in the applicable Final Terms.

The Certificates are, to the extent specified in the applicable Final Terms, Fixed Rate Certificates, Floating Rate Certificates or Certificates with interest linked to one or more underlying reference assets or bases ("**Underlying Reference(s)**") specified in the applicable Final Terms such as Index Linked Interest Certificates, Share Linked Interest Certificates, Debt Linked Interest Certificates, Commodity Linked Interest Certificates, Inflation Linked Interest Certificates, Currency Interest Linked Certificates, Fund Linked Interest Certificates, Underlying Interest Rate Linked Interest Certificates, Credit Linked Interest Certificates, ETI Linked Interest Certificates, Dual Currency Linked Interest Certificates or any combination thereof. The Certificates may be Index Linked Redemption Certificates, Share Linked Redemption Certificates, Debt Linked Redemption Certificates, Commodity Linked Redemption Certificates, Inflation Linked Redemption Certificates, Currency Linked Redemption Certificates, Fund Linked Redemption Certificates, Underlying Interest Rate Linked Redemption Certificates, Credit Linked Redemption Certificates, ETI Linked Redemption Certificates, Dual Currency Linked Redemption Certificates or any combination thereof.

Certificates related to a specified commodity or commodity index or basket of commodities or commodity indices, a specified inflation index or basket of inflation indices, specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified interest rate or basket of interest rates, specified exchange traded instruments or Hybrid Certificates related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, settled, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**") or that are not Non-United States Persons as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended.

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"). If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state, amongst other details, the relevant Averaging Dates.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to (i) Physical Delivery Certificates, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Certificate pursuant to Condition 6(b)(ii) and where settlement is to be by way of cash payment, and (ii) Physical Delivery Certificates where settlement is to be automatically varied to be by way of a cash payment pursuant to Condition 6(b)(ii)). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates 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 Certificate pursuant to Condition 6(b)(ii) and where settlement is to be by way of physical delivery.

Certificates may, if specified in the applicable Final Terms, allow Certificateholders to elect for settlement by way of cash payment or by way of physical delivery or by way of a combination of cash payment and physical delivery. Those Certificates where the relevant Certificateholder has elected for cash payment will be Cash Settled Certificates and those Certificates where the relevant Certificateholder has elected for physical delivery will be Physical Delivery Certificates. The rights of a Certificateholder as described in this paragraph will be subject to the Issuer's right to vary settlement and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Redemption Amount (as defined below) in lieu of physical delivery in accordance with Condition 6(b)(iii).

(b) *Title to Certificates*

In the case of Certificates represented by a Clearing System Global Certificate held by a Common Depository on behalf of a relevant Clearing System, each person who is for the time being shown in the records of the relevant Clearing System as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by the relevant Clearing System as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Guarantor, if any, and the relevant Warrant and Certificate Agent as the Certificateholder of such amount of Certificates for all purposes (and the expressions "**Certificateholder**" and "**Holder of Certificates**" and related expressions shall be construed accordingly).

(c) *Title to Registered Certificates*

For so long as the Certificates are represented by a Registered Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) (each a "**Certificateholder**") shall be treated by the Issuer, the Guarantor (if any), the Trustee and any Warrant and Certificate Agent as the holder of such amount of such Certificates for all purposes other than with respect to the payment of cash settlement amounts and/or interest with respect to such Certificates for which purpose the registered holder (as shown in the register kept at the principal office of the Registrar (the "**Register**"), provided that, for these and for all other purposes hereunder and notwithstanding any provision to the contrary, in the event of any differences between the information contained in the Register and that contained in the Issuer Register (as defined in the Agency Agreement), the Issuer Register shall prevail) of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor (if any), the Trustee and any

Warrant and Certificate Agents as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Registered Global Certificate.

Without limitation to the foregoing, in determining whether a particular person is entitled to a particular amount of Certificates as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

In the case of definitive Registered Certificates, the Issuer shall cause to be kept at the principal office of the Registrar, a Register on which shall be entered the names and addresses of all Certificateholders, the amount and type of the Certificates held by each Certificateholder and details of all transfers of the Certificates. Each person who is for the time being shown in the Register as the holder of a particular amount of Certificates (each a "**Certificateholder**") shall (except as otherwise required by law) be treated as the absolute owner of such amount of Certificates for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(d) *Transfers of Interests in Global Certificates*

Subject as set forth in this Condition, all transactions (including permitted transfers of Certificates) in the open market or otherwise must be effected, in the case of Clearing System Certificates, subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System.

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or any other relevant Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee, the Registrar, the Principal Warrant and Certificate Agent and the Warrant and Certificate Agent from time to time and notified to the relevant Certificateholders in accordance with Condition 19.

(A) *Transfers of Clearing System Certificates*

Transfers of Certificates to a person who takes delivery in the form of Certificates represented by a Global Certificate may be made only in accordance with the following provisions:

(i) (a) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Global Certificate, from a Holder of Certificates represented by a Global Certificate, to a non-U.S. person in an offshore transaction pursuant to Regulation S; and

(b) in each case, in accordance with any applicable rules and regulations of the Principal Warrant and Certificate Agent, the relevant Clearing System.

(ii) The Certificateholder must send a free of payment instruction to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

(a) the relevant Clearing System will debit the account of its participant; and

(b) the relevant Clearing System or the Certificateholder, as the case may be, will instruct the Principal Warrant and Certificate Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant.

Upon any such transfers, on the transfer date the Principal Warrant and Certificate Agent, will increase or decrease, if appropriate, the number of Certificates represented by the relevant Global Certificate, whereupon the number of Certificates represented by such Global Certificate shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.

(B) *Transfers of Registered Global Certificates*

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

(e) *Transfers of interests in definitive Registered Certificates*

Title to definitive Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. A definitive Registered Certificate may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 3 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the definitive Registered Certificates as the Certificateholder of the Registered Certificate specified in the form of transfer.

Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum determined by the Calculation Agent sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

(f) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Certificates under Condition 8 (*Redemption, Purchases and Cancellation*), the Issuer shall not be required to register the transfer of any Registered Certificate, or part of a Registered Certificate, called for partial redemption.

2. Status of the Certificates; Guaranteed Certificates

(a) *Status of the Certificates*

The Certificates are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves which are secured in the manner described in Condition 9 (*Compartment Assets*) and recourse in respect of which is limited in the manner described in Condition 9 (*Compartment Assets*).

(b) *Guaranteed Certificates*

If the Certificates are "**Guaranteed Certificates**" as specified in the applicable Final Terms, and subject to the satisfaction of the conditions set out therein and in the relevant provisions of the Trust Deed applicable to such Certificates, the payment obligations of the Issuer in respect of such Guaranteed Certificates will have the benefit of a guarantee (the "**Guarantee**") in favour of the Trustee (for itself, and as trustee for holders of such Guaranteed Certificates) made by BNP Paribas or, in respect of Certificates with a notional amount of at least EUR100,000 only, Banca Nazionale del Lavoro S.p.A. (in such capacity, each the "**Guarantor**").

The Guarantee (if applicable) constitutes an unsecured, unsubordinated and general obligation of the Guarantor and ranks and will rank (i) *pari passu* with all other existing and future unsecured, unsubordinated and general obligations of the Guarantor, but excluding any debts for the time being preferred by law, and (ii) senior to any subordinated obligations.

(c) *Subrogation of the Guarantor*

Under the Guarantee, the Guarantor will be subrogated to any rights of the holders of the Guaranteed Certificates and the Trustee against the Issuer to the fullest extent permitted by applicable law and to the extent of such payment in respect of amounts due in respect of the Certificates which have been paid by the Guarantor under the Guarantee.

3. Restrictions

(a) The Issuer has covenanted in the Trust Deed that, *inter alia*, so long as any of the Certificates remains outstanding, it will not, without the prior written consent of the Trustee:

(i) engage in any activity or do anything whatsoever, except:

(A) issue instruments which are subject to the Securitisation Act 2004 and the enforcement and limited recourse provisions of the Trust Deed or any other relevant agreement ("**Permitted Instruments**", provided that such term shall include, without limitation, Related Agreements, notes, warrants, Certificates and Further Certificates (each as defined below));

(B) otherwise incur indebtedness (any such indebtedness, "**Permitted Indebtedness**") in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is subject to, and in compliance with, the Securitisation Act 2004 and/or is secured on assets or other property which are not part of the Charged Assets and on terms which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets or property on which such indebtedness is secured;

(C) enter into any deed or agreement of any kind related to any Permitted Instrument or Permitted Indebtedness, but provided always that any such deed or agreement is entered into on terms that the obligations of the Issuer thereunder relate to a compartment of specified assets of the Issuer (other than its share capital) which does not form part of the Charged Assets and on terms which provide for

extinguishment of all claims in respect of such obligations after application of the assets on which such indebtedness is secured*;*

(D) acquire, or enter into any agreement constituting, the collateral in respect of any Permitted Instrument or the assets securing any Permitted Indebtedness to enable it to discharge its obligations under such Permitted Instrument or Permitted Indebtedness;

(E) perform its obligations under each Permitted Instrument or Permitted Indebtedness, or any deed or agreement incidental to the issue and constitution of, or the granting of security for, any Permitted Instrument or Permitted Indebtedness;

(F) enforce any of its rights whether under any deed or agreement entered into in relation to any Permitted Instrument or Permitted Indebtedness;

(G) perform any act incidental to or necessary in connection with any of the above; or

(H) as permitted by the Conditions;

(ii) have any subsidiaries;

(iii) have any employees;

(iv) dispose of any of its property or other assets or any part thereof or interest therein (subject (A) to this subparagraph (a) and (B) as provided in the terms and conditions relating to any Permitted Instrument or the terms and conditions relating to any Permitted Indebtedness);

(v) issue any further fungible Certificates unless the trustee and/or guarantor thereof is the same person as, respectively, the Trustee and/or, as the case may be, the Guarantor for the Certificates;

(vi) pay any dividend or make any other distribution to its members;

(vii) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;

(viii) pledge its assets for the benefit of any other entity or make any loans or advances to any entity (other than in connection with or in respect of Permitted Instruments and Permitted Indebtedness); or

(ix) consolidate or merge with any other person.

(b) The Issuer has covenanted in the Trust Deed that, *inter alia*, save with the prior written consent of the Trustee, the Issuer shall, so long as any of the Certificates remains outstanding:

(i) maintain proper books and records, accounts and financial statements for each Compartment and for the Issuer;

(ii) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);

(iii) notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default or the proposed mandatory redemption of any Certificate;

(iv) provide the Trustee with certain certificates within specified timeframes that no Event of Default or Potential Event of Default has occurred since the Certification Date of the last certificate or the date of the Trust Deed, or, if such an event has occurred, giving details of it;

(v) for each Series send to the Trustee at least 48 hours (if practicable) before it is to be issued the form of each notice to be given to the Certificateholders and, once given, two copies of each such notice;

(vi) forthwith upon request by the Trustee give notice to the Certificateholders of any Series of any unconditional payment to the Principal Warrant and Certificate Agent or the Trustee of any sum due in respect of the Certificates of such Series made after the due date for such payment;

(vii) in relation to each Series:

(A) comply and procure that each of the parties thereto complies with its obligations under the Agency Agreement, any Swap Agreement, any Deposit Agreement or any Repurchase Agreement; and

(B) procure that any Swap Counterparty gives the Trustee notice of any substitution of the Compartment Assets with substitute securities or cash substitute in accordance with the terms of Condition 9(f) (*Compartment Assets substitution by Swap Counterparty*);

(viii) not commingle its assets with those of any other entity; and

(ix) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations).

4. Interest

(a) *Interest on Fixed Rate Certificates*

Each Fixed Rate Certificate 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 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)). 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 (x) 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 (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:

(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, 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 Interest Amount.

Interest shall be calculated by applying the Rate of Interest to: (1) in the case of Fixed Rate Certificates which are represented by a Global Certificate, the aggregate outstanding Notional Amount of the Fixed Rate Certificates represented by such Global Certificate; or (2) in the case of Fixed Rate Certificates in definitive form, the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention; or in the case of Dual Currency Linked Interest Certificates, converting the resulting figure into the Settlement Currency as provided in Condition 4(m) 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.

(b) *Interest on Floating Rate Certificates*

(i) *Interest Period End Dates and Interest Payment Dates*

Each Floating Rate Certificate 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 4(b), "**Interest Period End Date**" shall mean either:

(A) the specified 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 (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:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(A) 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 (2) 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

(2) 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

(3) 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

(4) 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.

In these 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 specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Settlement Currency other than euro, 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 (ii) in relation to any sum payable in euro, a day (a "**TARGET Settlement Day**") on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ("**TARGET2**") payment system which utilises a single platform and which was launched on 19 November 2007 (or, if such system ceases to be operative, such system (if any) determined by the Calculation Agent to be a suitable replacement) (the "**TARGET System**") is open.

(ii) *Rate of Interest*

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

(iii) *Determination of Rate of Interest and Calculation of Interest Amount*

The Principal Warrant and Certificate 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 Principal Warrant and Certificate Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Certificates for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Certificates which are represented by a Global Certificate, the aggregate outstanding Notional Amount of the Certificates represented by such Global Certificate; or

(B) in the case of Floating Rate Certificates in definitive form, the Calculation Amount,

and, 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 a sub-unit being rounded upwards or otherwise in accordance with the applicable market convention and, in the case of Dual Currency Linked Interest Certificates, converting the resulting figure into the Settlement Currency as provided in Condition 4(m) below.

"**Day Count Fraction**" means in respect of the calculation of an amount of interest for any Interest Period, Premium Amount Period or AER Calculation Period (each a "**Calculation Period**"):

(A) 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 (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 Certificates 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 (x) the number of days in such Determination Period and (y) 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 (x) the number of days in such Determination Period and (y) 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);

(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 falling 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:

$$\frac{[360 x (Y_2 - Y_1)] + [30 x (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

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

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

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

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

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

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

(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:

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

where:

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

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

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

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

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

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

(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:

$$\text{Day Count Fraction} = \frac{[(360xY_2-Y_1)]+[30x(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

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

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

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

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

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

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

(I) if "**1/1**" is specified in the applicable Final Terms, the Day Count Fraction shall be equal to 1.

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "**unadjusted**", the Calculation Period and the Interest Amount payable on any date shall not, unless otherwise provided in the applicable Final Terms, be affected by the application of any Business Day Convention.

(iv) *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.

(c) *Interest on Linked Interest Certificates*

(i) *Interest Period End Dates and Interest Payment Dates*

Each Index Linked Interest Certificate, Share Linked Interest Certificate, Debt Linked Interest Certificate, Commodity Linked Interest Certificate, Inflation Linked Interest Certificate, Currency Linked Interest Certificate, Fund Linked Interest Certificate, Underlying Interest Rate Linked Interest Certificate, Credit Linked Interest Certificate, ETI Linked Interest Certificate and Hybrid Certificate (together, the "**Linked Interest Certificates**") 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 4(c), "**Interest Period End Date**" shall mean either:

(A) the specified 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 (x) 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 (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:

(1) in any case where Specified Periods are specified in accordance with Condition 4(c)(i)(A) 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 (2) 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

(2) 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

(3) 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

(4) 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 Linked Interest Certificates 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.

(iii) *Determination of Rate of Interest and Calculation of Interest Amount*

The Principal Warrant and Certificate 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 Principal Warrant and Certificate Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Certificates for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Certificates which are represented by a Global Certificate, the aggregate outstanding Notional Amount of the Certificates represented by such Global Certificate; or

(B) in the case of Floating Rate Certificates in definitive form, the Calculation Amount,

and, 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 a sub-unit being rounded upwards or otherwise in accordance with the applicable market convention and, in the case of Dual Currency Linked Interest Certificates, converting the resulting figure into the Settlement Currency as provided in Condition 4(m) below.

(d) ISDA, FBF and Screen Rate Determination

(i) *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 (i), "**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 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 (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 (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(ii) *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 foreign exchange and derivatives transactions (an "**FBF Agreement**"), as in effect on the date of issue of the Certificates, published by the Association Française des Banques/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 Principal Warrant and Certificate 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 (as defined in the FBF Agreement);

(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:

(1) 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-paragraph (iii) below;

(2) the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Principal Warrant and Certificate Agent in accordance with the preceding sentence; and

(3) the Principal Warrant and Certificate Agent will be deemed to have discharged its obligations under subparagraph (iii) 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.

(iii) *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 (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 11.00 a.m. 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 Principal Warrant and Certificate 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 Principal Warrant and Certificate 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 (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, the Principal Warrant and Certificate Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Principal Warrant and Certificate 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 Principal Warrant and Certificate Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Warrant and Certificate Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Warrant and Certificate 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 Principal Warrant and Certificate 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 Principal Warrant and Certificate 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 Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in 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 Principal Warrant and Certificate Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, anyone or more banks (which bank or banks is or are in the opinion of the Issuer and the Principal Warrant and Certificate Agent suitable for such purpose) informs the Principal Warrant and Certificate Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) (or, as the case may be, the quotations of such bank or banks to the Principal Warrant and Certificate Agent) 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).

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Principal Warrant and Certificate Agent and approved in writing by the Trustee, or as specified in the applicable Final Terms.

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, as the case may be, EURIBOR, the Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

(e) *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 Conditions 4(c)(ii) or 4(d) (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 Conditions 4(c)(ii) or 4(d) (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

If the applicable Final Terms specifies a Rate Multiplier for any Interest Period, then, the Rate of Interest in respect of any such Interest Period shall be multiplied by the relevant Rate Multiplier, subject always to the Minimum and/or Maximum Rate of Interest as described above.

(f) *Notification of Rate of Interest and Interest Amount*

The Principal Warrant and Certificate 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 (if applicable) (such notifications to occur no later than the Business Day following such determination), (in the case of Certificates which are listed on the Luxembourg Stock Exchange and where the rules of such stock exchange so require) the Luxembourg Stock Exchange and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Principal Warrant and Certificate Agent (except where the relevant Certificates are unlisted and are in global form and held in their entirety on behalf of Euroclear and Clearstream, Luxembourg in which event there may be substituted for such publication the delivery of such notice to Euroclear and Clearstream, Luxembourg for communication to the Certificateholders) shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 19 as soon as possible after their determination but in no event later than the fifth Luxembourg 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 Certificateholders in accordance with Condition 19. For the purposes of these Conditions, the expression "**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Luxembourg.

(g) *Certificates to be Final*

All certificates, communications, determinations, calculations and decisions made for the purposes of the provisions of this Condition 4 by the Principal Warrant and Certificate Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Principal Warrant and Certificate Agent, the other Warrant and Certificate Agents (if any), or, if applicable, the Calculation Agent and all Certificateholders, and (in the absence as aforesaid) no liability to the Certificateholders shall attach to the Principal Warrant and Certificate Agent or, if applicable, the Calculation Agent or the Trustee, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) *Coupon Switch*

If Coupon Switch is specified as applicable in the applicable Final Terms:

(i) if Coupon Switch Election is specified as applicable in the applicable Final Terms, the Issuer shall (where a corresponding election is made by the Swap Counterparty in respect of the Swap Agreement relating to the Certificates) elect that the Rate of Interest or Premium Amount for the Certificates will be amended (a "**Coupon Switch**") from the pre-switch coupon specified in the Final Terms (the "**Pre-Switch Coupon**") to the post-switch coupon specified in the applicable Final Terms (the "**Post-Switch Coupon**") on and after the Coupon Switch Date.

(ii) if Automatic Coupon Switch is specified as applicable in the applicable Final Terms and an Automatic Coupon Switch Event occurs, the Rate of Interest or Premium Amount for the Certificates will be amended (a "Coupon Switch") from Pre-Switch Coupon specified in the applicable Final Terms to the Post-Switch Coupon specified in the applicable Final Terms on and after the Coupon Switch Date immediately following the SPS ACS Valuation Date or SPS ACS Valuation Period, as applicable, on which the Automatic Coupon Switch Event occurs.

If Additional Switch Coupon is specified as applicable in the applicable Final Terms, following the occurrence of a Coupon Switch, an Additional Switch Coupon Amount will be payable on the Additional Switch Coupon Payment Date. The "**Additional Switch Coupon Amount**" in respect of each nominal amount of Certificates equal to the Calculation Amount will be the amount specified as such in the applicable Final Terms. For the purposes of Conditions 6 and 11, Additional Switch Coupon Amount shall be deemed to be interest. For the avoidance of doubt, the Additional Switch Coupon Amount will only be paid on the single Additional Switch Coupon Payment Date.

Notice of any Coupon Switch will be given to Certificateholders in accordance with Condition 19.

"**Additional Switch Coupon Payment Date**" means the date specified as such in the applicable Final Terms, which such date must be an Interest Payment Date;

"**Automatic Coupon Switch Event**" means that the SPS ACS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" or (d) "less than or equal to", as specified in the applicable Final Terms, the Automatic Coupon Switch Level, (x) on a SPS ACS Valuation Date or (y) in respect of a SPS ACS Valuation Period, as specified in the applicable Final Terms;.

"**Automatic Coupon Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**Coupon Switch Date**" means each date specified as such or determined pursuant to the provisions in the applicable Final Terms;

"**SPS ACS Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**SPS ACS Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS ACS Valuation Period**" means each period specific as such in the applicable Final Terms.

(i) *Condition to Interest Payment*

Where "Condition to Interest Payment" is specified as applicable in the applicable Final Terms, the obligation of the Issuer to pay an Interest Amount will be subject to the receipt of an aggregate amount equal to the aggregate Interest Amounts payable in respect of each Certificate outstanding on or prior to the relevant Interest Payment Date from the Swap Counterparty under the Swap Agreement. In the event that the Swap Counterparty fails to pay an amount under the Swap Agreement or the Swap Agreement terminates for any reason other than as scheduled on its

scheduled termination date or where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party, the Issuer will have no further obligation to pay interest in respect of the Certificates and no Event of Default will occur in respect of such non-payment save where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party.

(j) *Interest Payments*

Interest will be paid subject to and in accordance with the provisions of Condition 6 (*Payments and Physical Delivery*). Interest will cease to accrue on each Certificate (or, in the case of the redemption of part only of a Certificate, that part only of such Certificate) on the due date for redemption thereof 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. If upon due presentation thereof, 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 until whichever is the earlier of (i) the day on which all sums due and/or assets deliverable in respect of such Certificate up to that day are received by or on behalf of the holder of such Certificate and (ii) the day on which the Principal Warrant and Certificate Agent or any agent appointed by the Issuer to deliver such assets to Holders has notified the holder thereof (either in accordance with Condition 19 (*Notices*) or individually) of receipt of all sums due in respect thereof up to that date.

(k) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Principal Warrant and Certificate Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Warrant and Certificate Agent defaults in its obligation to calculate any Interest Amount in accordance with Conditions 4(c)(ii) and 4(d) as the case may be, and in each case in accordance with Condition 4(c)(iii), the Trustee shall, (or shall appoint an agent on its behalf to do so), determine the Rate of Interest at such rate as, in its sole and absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 4, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall (or shall appoint an agent on its behalf to do so) calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Warrant and Certificate Agent or the Calculation Agent, as applicable.

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

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next Interest Period End Date or such other period as is specified in the applicable Final Terms.

"**Interest Rate$_{(i-1)}$**" means in respect of an Interest Period the Rate of Interest determined by the Calculation Agent in respect of the immediately preceding Interest Period. For the avoidance of

doubt, Interest Rate$_{(i-1)}$ is expressed as a rate per annum, unless otherwise specified in the Final Terms.

"**Issue Date**" means the date specified as such on the applicable Final Terms.

(l) *Rounding generally*

In connection with the calculation of any amount payable in respect of the Certificates (including, without limitation, interest) and unless otherwise provided in these Terms and Conditions or in the applicable Final Terms, such amounts will, if necessary, be rounded to the nearest sub-unit (as defined above) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise as specified in the applicable Final Terms.

(m) *Dual Currency Linked Interest Certificates*

If the Certificates are specified in the applicable Final Terms as Dual Currency Linked Interest Certifcates, 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.

"**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.

"**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 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, 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.

"**Specified Exchange Rate**" means the rate of exchange specified in the applicable Final Terms.

5. Premium Amount

(a) If so specified in the applicable Final Terms, the Certificates will not bear or pay interest but will pay one or more premium amounts, each such premium amount representing an amount payable by the Issuer as compensation for, and in recognition of, the assumption of the risk that in certain circumstances the Cash Settlement Amount payable on redemption of the Certificates may be less than the Issue Price or even zero.

(b) A premium amount may be a fixed amount ("**Fixed Premium Amount Certificates**"), a variable amount ("**Variable Premium Amount Certificates**") and/or an amount calculated by reference to the performance of one or more index or custom index, share, inflation index, interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or other exchange traded product (each an "**exchange traded instrument**"), commodity and/or commodity index, foreign exchange rate, fund and/or the credit of one or more reference entity or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Premium Amount Certificate**s").

(c) Each Certificate will pay the Premium Amount on each Premium Amount Payment Date provided that no Early Redemption Event or Event of Default has occurred on or prior to the Premium Amount Payment Date, and provided further that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Premium Amount will be payable unless the Premium Amount Payment Date falls on or prior to the Automatic Early Redemption Date.

(d) The Premium Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) provided that if Rounding Convention 2 is specified as applicable in the applicable Final Terms, the Premium Amount shall not be subject to rounding but Certificates of the same Series held by the same Holder will be aggregated for the purpose of determining the aggregate Premium Amount in respect of such Certificates and the aggregate of such Premium Amounts will be rounded down to the nearest whole sub-unit of the Settlement Currency in such manner as the Calculation Agent shall determine. Such Premium Amount will be paid in accordance with Condition 6 (*Payments and Physical Delivery*).

(e) If a Business Day Convention is specified in the applicable Final Terms as applying to a Premium Amount Payment Date and (i) if there is no numerically corresponding day in the calendar month in which a Premium Amount Payment Date should occur or (ii) if any Premium Amount Payment Date 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 Premium Amount Payment Date shall be postponed to the next day which is a Business Day; or

(ii) the Modified Following Business Day Convention, such Premium Amount 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 Premium Amount 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 Premium Amount Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(f) Definitions relating to Premium Amount(s):

"**Premium Amount**" means, in respect of a Premium Amount Payment Date and a Certificate

(i) in respect of Fixed Premium Amount Certificates, the amount specified in the applicable Final Terms;

(ii) in respect of Variable Premium Amount Certificates, an amount calculated by the Calculation Agent on the basis set out, in the applicable Final Terms; or

(iii) in respect of Linked Premium Amount Certificates, an amount calculated by the Calculation Agent equal to the Notional Amount x the Premium Amount Rate;

"**Premium Amount Payment Date**" means each date specified as such in the applicable Final Terms; and

"**Premium Amount Period**" means the period from (and including) the Issue Date to (but excluding) the first Premium Amount Payment Date and each following period from (and including) a Premium Amount Payment Date to (but excluding) the next occurring Premium Amount Payment Date.

References in these Conditions to "Interest Valuation Time" or "Interest Valuation Date" will, in the case of Linked Premium Amount Certificates, be deemed to be references to "Premium Amount Valuation Time" or "Premium Amount Valuation Date", as applicable.

(g) The Calculation Agent will cause each Premium Amount for each Premium Amount Payment Date to be notified to the Principal Warrant and Certificate Agent, the Issuer and the Guarantor (if applicable) (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require) Luxembourg Stock Exchange 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 Premium Amount in accordance with Condition 19 as soon as possible after their determination but in no event later than the fifth Luxembourg Business Day thereafter.

6. Payments and Physical Delivery

For the purposes of this Condition 6, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions will, where the context so admits, be deemed also to refer to physical delivery of any Entitlement.

(a) *Method of Payment*

The "**Cash Settlement Amount**" shall be an amount (which may never be less than zero) to which the Holder of Certificates is entitled in the Settlement Currency in relation to each such Certificate equal to the Final Redemption Amount specified in the applicable Final Terms.

The Cash Settlement Amount (if any) 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, provided that if Rounding Convention 2 is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall not be subject to rounding but Securities of the same Series held by the same Holder of Certificates will be aggregated for the purpose of determining the aggregate Cash Settlement Amount in respect of such Certificates and the aggregate of such Cash Settlement Amounts will be rounded down to the nearest whole sub-unit of the Settlement Currency in such manner as the Calculation Agent shall determine, provided that if the product of the Final Payout is zero, no amount shall be payable in respect of the relevant Certificate.

If the Cash Settlement Amount is not an amount in the Settlement Currency, if specified in the applicable Final Terms it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;

(i) *Registered Certificates*

Payments of the Cash Settlement Amount (or, where Certificates are redeemable in instalments, the final instalment) in respect of each Registered Certificate (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Warrant and Certificate Agents. Such payments will be made by transfer to the Designated

Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (in each case, the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the aggregate Issue Price of the Certificates held by a holder is less than U.S.$250,000 (or integral multiples of U.S.$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and, where Certificates are redeemable in instalments, each instalment (other than the final instalment) in respect of each Registered Certificate (whether or not in global form) will be made by a cheque in the Settlement Currency drawn on a Designated Bank and mailed on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Certificate on redemption and the final instalment (if applicable) will be made in the same manner as payment of the Cash Settlement Amount in respect of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of the Cash Settlement Amount, any instalment (if applicable) or interest in respect of the Registered Certificates.

Neither the Issuer, the Guarantor (if applicable), the Trustee nor any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(ii) *Global Certificates*

Except in the case of Registered Certificates, payments of the Cash Settlement Amount, any instalments (if applicable) and interest (if any) in respect of Certificates represented by any Global Certificate will be made in the manner specified in the relevant Global Certificate against presentation or surrender, as the case may be, of such Global Certificate at the specified office of any Warrant and Certificate Agent outside of the United States. A record of each payment made on such Global Certificate, distinguishing between any payment of principal and any payment of

interest, will be made on such Global Certificate by the Warrant and Certificate Agent to which such Global Certificate is presented for the purpose of making such payment, and such record shall be prima facie evidence that the payment in question has been made.

The holder of the relevant Global Certificate shall be the only person entitled to receive payments in respect of Certificates represented by such Global Certificate and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular Notional Amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Global Certificate. No person other than the holder of the relevant Global Certificate shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Global Certificate.

Where the Certificates pay Premium Amount(s), subject as provided below, the Issuer, failing which, the Guarantor (if applicable), shall pay or cause to be paid the Premium Amount for each Certificate in respect of each Premium Amount Payment Date by credit or transfer to the Certificateholder's account with the relevant Clearing System for value on the relevant Premium Amount Payment Date, such payment to be made in accordance with the rules of such Clearing System.

If any date for payment of any amount in respect of any Certificate 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 11 (*Prescription*)) is:

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) each Financial Centre specified in the applicable Final Terms; and

(B) in relation to any sum payable in euro, a day on which the TARGET System is open. If the due date for redemption of any interest bearing Certificate in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Certificate from (and including) the last preceding due date for the payment of interest (or from the Interest Commencement Date) will be paid against surrender of such Certificate.

The names of the initial Principal Warrant and Certificate Agent and the other initial Warrant and Certificate Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Warrant and Certificate Agent and to appoint additional or other Warrant and Certificate Agents and/or to approve any change in the specified office of any Warrant and Certificate Agent, provided that:

(1) so long as any Certificates are listed on any stock exchange, there will at all times be a Warrant and Certificate Agent and a Transfer Agent, which may be the Registrar (in the case of Registered Certificates) with a specified office in the place required by the rules and regulations of the relevant stock exchange; and

(2) there will at all times be a Principal Warrant and Certificate Agent and a Registrar; and

(3) the Issuer undertakes that it will ensure that it maintains a Warrant and Certificate Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 or any law

implementing or complying with, or introduced in order to conform to, such Directive, other than the jurisdiction in which the Issuer or Guarantor (if any) are incorporated.

Payments in respect of the Certificates will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

(iii) *FX Settlement Disruption*

If the Settlement Currency specified in the applicable Final Terms is a Relevant Currency, FX Settlement Disruption will apply, and:

(A) if, on the second Business Day prior to the Disrupted Payment Date, the Calculation Agent (in good faith and in a commercially reasonable manner) determines that a FX Settlement Disruption Event has occurred and is subsisting, the Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the Certificateholders in accordance with Condition 19 as soon as reasonably practicable thereafter and, in any event, prior to the relevant Disrupted Payment Date;

(B) following the occurrence of a FX Settlement Disruption Event:

(1) 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 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 Redemption Date; and

(2) (i) in the case of (1)(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, (ii) in the case of (1)(ii) above, in lieu of paying the relevant Disrupted Amount in the relevant Settlement Currency, the Issuer will, subject to sub-paragraph (C) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (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;

(C) if sub-paragraph (B)(1)(ii) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate in good faith and in a commercially reasonable manner in accordance with the following procedures:

(1) 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

(2) 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 acting in good faith and in a commercially reasonable manner;

(D) this Condition 6(a)(iii) shall not apply to Dual Currency Linked Interest Certificates;

(E) 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 6(a)(iii), and no additional interest will be paid in respect of any postponement of the date for payment;

(F) for the avoidance of doubt, nothing contained in this Condition 6(a)(iii) 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 8(o) shall prevail in the event of any conflict between this Condition 6(a)(iii) and Condition 8(o).

(G) 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 Interest Amount, Final Redemption Amount or such other amount payable (if any);

"**FX Settlement Disruption Currency**" means US dollars ("**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 (C) 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 good faith and in a commercially reasonable manner; 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**"), Ghanian 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**").

(b) *Physical Delivery*

(i) *Physical Delivery*

(A) *Asset Transfer Notices*

In relation to Certificates to be redeemed by delivery or (in the case of Credit Linked Certificates) Delivery of the Entitlement(s) ("**Entitlement**" shall be the quantity of the Relevant Asset(s) equal to the Entitlement Amount specified in the Final Terms), in order to obtain delivery or Delivery of the Entitlement in respect of any Certificate, the relevant Certificateholder must:

(1) if such Certificate is represented by a Global Certificate, the relevant Certificateholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Warrant and Certificate Agent and any entity appointed by the Issuer to deliver or Deliver, as the case may be, the Entitlement on its behalf (the "**Delivery Agent**") not later than the close of business in each place of reception on the Cut-Off Date, a duly completed asset transfer notice (an "**Asset Transfer Notice**") in the form set out in the Agency Agreement; and

(2) if such Certificate is in definitive form, the relevant Certificateholder must deliver to the Registrar or any Warrant and Certificate Agent, with a copy to the Principal Warrant and Certificate Agent and the Delivery Agent (as defined above) not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement.

For the purposes hereof, "**Cut-off Date**" means the date specified as such in the applicable Final Terms or if not so specified (a) in respect of a Certificate that is not a Credit Linked Certificate, 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) (each as defined in the Additional Terms and Conditions for Credit Linked Securities (the "**Credit Linked Conditions**")).

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Warrant and Certificate Agent.

An Asset Transfer Notice may only be delivered (I) if such Certificate is represented by a Global Certificate, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (II) if such Certificate is in definitive form, in writing.

If this Certificate is in definitive form, this Certificate must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

(aa) specify the name, address and contact telephone number of the relevant Certificateholder and the person from whom the Issuer or Delivery Agent may obtain details for the delivery or Delivery of the Entitlement;

(bb) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;

(cc) in the case of Certificates represented by a Global Certificate, specify the number of Certificates which are the subject of such notice and the number of the Certificateholder's account at the relevant Clearing System to be debited with such Certificates and irrevocably instruct and authorise the relevant Clearing System to debit the relevant Certificateholder's account with such Certificates on or before the Delivery Date or (in the case of Credit Linked Certificates) the Delivery Date (as defined in the Credit Linked Conditions);

(dd) include an undertaking to pay all Expenses and, in the case of Certificates represented by a Global Certificate, an authority to the relevant Clearing System to debit a specified account with the relevant Clearing System in respect thereof and to pay such Expenses;

(ee) include such details as are required for delivery or 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 or Delivered and specify the name and number of the Certificateholder's account to be credited with any cash payable by the Issuer, including pursuant to Credit Linked Condition 4, 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 and the Issuer (following a notification to such effect from the Calculation Agent) electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer (following a notification to such effect from the Calculation Agent) electing to pay the Alternate Cash Redemption Amount;

(ff) certify that the beneficial owner of each Certificate is not a U.S. person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and

(gg) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If Condition 6(b)(ii) (*Variation of Settlement*) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of

such Asset Transfer Notice may be obtained from the Registrar or any Warrant and Certificate Agent.

(B) *Verification of the Certificateholder*

In the case of Certificates represented by a Global Certificate, upon receipt of an Asset Transfer Notice, the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Principal Warrant and Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Principal Warrant and Certificate Agent will inform the Issuer and any Delivery Agent thereof. The relevant Clearing System will on or before the Delivery Date or (in the case of Credit Linked Certificates) the Delivery Date (as defined in the Credit Linked Conditions), as the case may be, debit the securities account of the relevant Certificateholder with the relevant Certificates.

(C) *Determinations and Delivery*

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Certificates represented by a Global Certificate, by the relevant Clearing System or, in the case of Certificates in definitive form, by the Registrar, or in each case in consultation with the Principal Warrant and Certificate Agent, and shall be conclusive and binding on the Issuer, the Guarantor (if applicable), the Principal Warrant and Certificate Agent(s), any Delivery Agent and the relevant Certificateholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant and Certificate Agent and any Delivery Agent immediately after being delivered or sent as provided in paragraph (A) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Certificates represented by a Global Certificate, the relevant Clearing System, or, in the case of Certificates in definitive form, by the Registrar, or in each case in consultation with the Principal Warrant and Certificate Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the Registrar or any Warrant and Certificate Agent, as provided above. After delivery of an Asset Transfer Notice, the relevant Certificateholder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Certificateholder, 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 Linked Certificates Delivered at the risk of the relevant Certificateholder, in the manner provided below on the Delivery Date (as deifned in the Credit Linked Conditions), provided that the Asset Transfer Notice is duly delivered as provided above on or prior to the Cut-Off Date.

If a Certificateholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Warrant and Certificate Agent and the Delivery Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or,

as the case may be, Delivered as soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Linked Certificates) the original date fixed for delivery at the risk of such Certificateholder in the manner provided below. For the avoidance of doubt, in such circumstances such Certificateholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the date fixed for redemption or the original date fixed for delivery, as applicable and no liability in respect thereof shall attach to the Issuer or the Guarantor (if applicable), if any.

The Issuer (or any Delivery Agent on its behalf) shall at the risk of the relevant Certificateholder, deliver or procure the delivery of the Entitlement for each Certificate or (in the case of Credit Linked Certificates) Deliver the Deliverable Obligations, obligations and/or other assets comprising the Entitlement, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall determine and notify to the person designated by the Certificateholder in the relevant Asset Transfer Notice. 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 Certificates shall be for the account of the relevant Certificateholder 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 Certificateholder.

(D) *General*

Certificates held by the same Certificateholder 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 Certificateholder 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 good faith and in a commercially reasonable manner shall be paid to the Certificateholder.

Following the Delivery Date of a Share 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 Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Certificateholder will be paid to the account specified by the Certificateholder in the relevant Asset Transfer Notice as referred to in Condition 6(b)(i)(A) (*Asset Transfer Notices*).

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 (if applicable), the Warrant and Certificate Agents, the Registrar, any Delivery Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Certificateholder 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 Certificateholder in respect of any loss or damage which such Certificateholder 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.

(E) *Settlement Disruption*

The provisions of this Condition 6(b)(i)(E) apply to Certificates other than Credit Linked Certificates.

If, in the opinion of the Calculation Agent, delivery of the Entitlement in 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 good faith and in a commercially reasonable manner to satisfy its obligations in respect of the relevant Certificate 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 good faith and in a commercially reasonable manner to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Certificateholder 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 Certificateholders in accordance with Condition 19 (*Notices*). Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 19 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with Condition 19 (*Notices*) that a Settlement Disruption Event has occurred. No Certificateholder shall be entitled to any payment in respect of the relevant Certificate 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 Certificate, shall be the fair market value of such Certificate (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, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Swap Counterparty and/or its affiliates of unwinding any underlying related

hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms;

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer or the Guarantor (if applicable), as the case may be, as a result of which the Issuer or the Guarantor (if applicable), as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms; and

"**Relevant Asset**" means the Relevant Asset specified in the applicable Final Terms.

(F) *Additional Provisions for Credit Linked Certificates*

In the case of Credit Linked Certificates, the provisions contained in Annex 10 - "Additional Terms and Conditions for Credit Linked Securities" will 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 Certificates, the Issuer may, at its sole and unfettered discretion in respect of each such Certificate, elect not to pay the relevant Certificateholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Certificateholders, 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 Redemption Date to the relevant Certificateholders, as the case may be. Notification of such election will be given to Certificateholders in accordance with Condition 19 (*Notices*).

(B) If specified in the applicable Final Terms, the Issuer shall, in respect of each Certificate, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Certificateholders, make payment of the Cash Settlement Amount on the Redemption Date to the relevant Certificateholders.

(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 good faith and in a commercially reasonable manner in respect of such Certificates, if the Calculation Agent determines (in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradeable, 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 good faith and in a commercially reasonable manner) of such other shares which the Calculation Agent determines, in good faith and in a commercially reasonable manner, are freely tradeable (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 Certificateholders, but in lieu thereof to make payment to the relevant Certificateholder on the Settlement Date of an amount equal to the fair market value as determined by the Calculation Agent (unless otherwise specified) (the "**fair market value**") of the Entitlement on the Valuation Date as determined by the Calculation Agent in good faith and in a commercially reasonable manner by reference to such sources as it considers appropriate (the "**Alternate Cash Redemption Amount**"). Notification of any such election will be given to Certificateholders in accordance with Condition 19 (*Notices*) 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 tradeable**" share shall mean (i) with respect to the United States, a share 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 and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradeable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in good faith and in a commercially reasonable manner or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction.

(iv) *Rights of Certificateholders and Calculations*

None of the Issuer, the Guarantor (if applicable), the Trustee, 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 Certificates.

The purchase of Certificates does not confer on any holder of such Certificates any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(c) *Currency unavailability*

This Condition shall apply when payment is due to be made in respect of any Certificate in the Specified Currency (other than where the Specified Currency is euro) and the Specified Currency is not available to the Issuer or the Guarantor (as applicable) due to the imposition of exchange controls, the Specified Currency's replacement or disuse or other circumstances beyond the control of the Issuer or the Guarantor (as applicable) ("**Currency Unavailability**"). In the event of Currency Unavailability, the Issuer or the Guarantor (as applicable) will be entitled to satisfy its obligations to the holder of such Certificate by making payment in euro on the basis of the spot exchange rate at which the Specified Currency is offered in exchange for euro in an appropriate inter-bank market at noon, Paris time, four Business Days prior to the date on which payment is due or, if such spot exchange rate is not available on that date, as of the most recent prior practicable date. Any payment made in euro in accordance with this paragraph will not constitute an Event of Default.

(d) *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 Certificateholders in accordance with Condition 19 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 (1) the second Business Day following the date on which the Calculation Agent determines that a FX Disruption Event is no longer subsisting or (2) 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 Redemption Date; and

(B) (1) in the case of (A)(1) above, the Issuer will pay the relevant amount in the Settlement Currency on the Postponed DE Payment Date or (2) in the case of (A)(2) 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 Certificateholders in accordance with Condition 19 (an "**Issuer Account Information Notice**") requesting from each Certificateholder such information as it deems appropriate in order to pay the Specified Currency Amount to such Certificateholder (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 Certificateholder must deliver to the Calculation Agent in accordance with paragraph (vi) below with a copy to the Issuing and Paying Agent a notice (a "**Certificateholder 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 Certificateholder fails to deliver a valid Certificateholder 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 Certificateholder Account Information Notice, provided that if any Certificateholder fails to deliver a Certificateholder 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 Certificateholder 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 Certificateholder Account Information Notice, if applicable) on the due date for payment thereof (a "**Non-Transferability Event**"), the Issuer shall notify the Certificateholders in accordance with Condition 19 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 and notifying the Issuer of the relevant adjustment, the Issuer shall give notice as soon as practicable to Certificateholders in accordance with Condition 19 stating the adjustment to the Conditions and/or the applicable Final Terms.

(vi) Any Certificateholder Account Information Notice from a Certificateholder 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. (London time) on any day or on any day on which commercial banks were not open for business in London, the first day thereafter on which commercial banks are open for business in London. The relevant Certificateholder must provide satisfactory evidence to the Calculation Agent of its holding of the relevant Certificates.

(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 6(d), 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 Exchange Rate Observation Date (or, if different, the day on which rates for that Settlement Currency Exchange Rate 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 (1) to convert the Specified Currency into the Settlement Currency through customary legal channels; (2) to effect currency transactions on terms as favourable as those available to residents of the Reference Jurisdiction; or (3) 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.

7. Force Majeure

Save where a Force Majeure Event constitutes an Optional Additional Disruption Event and is specified as being applicable in the relevant Final Terms, if the Calculation Agent determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable for the Issuer to perform in whole or in part its obligations under the Certificates and/or any related hedging arrangements, the Issuer may cancel the Certificates by giving notice to Certificateholders in accordance with Condition 19.

If the Issuer cancels the Certificates then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Certificateholder in respect of each Certificate held by such Certificateholder, which amount shall be the fair market value (if any) of a Certificate taking into account such force majeure or act of state less, unless No Unwind Cost is specified as applicable in the applicable Final Terms, the cost to the Swap Counterparty and/or its Affiliates of unwinding the relevant Swap Agreement any underlying related hedging arrangements all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Any payment will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 19.

8. Redemption, Purchases and Cancellation

(a) *General*

Unless previously redeemed or purchased and cancelled as specified below and provided that no Early Redemption Event or Event of Default has occurred on or prior to the Redemption Date, each Certificate will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms (or, in the case only of Physical Delivery Certificates to which Physical Settlement is applicable, where the applicable Final Terms specifies that such Certificates will be redeemed by payment and/or delivery of a physical delivery of the Entitlement by the payment and the delivery of the Entitlement in the relevant Specified Currency on the Redemption Date or, in the case of a Credit Linked Certificate, at the relevant amount and/or by delivery as specified in the Credit Linked Conditions.

The "**Final Redemption Amount**" shall be an amount calculated by the Calculation Agent equal to the Final Payout specified in the applicable Final Terms provided that (i) if the Certificates are Dual Currency Redemption Certificates, the product of the Final Payout will be converted into the Settlement Currency as provided in Condition 8(u) below and (ii) if the product of the Final Payout is zero, no amount shall be payable on final redemption of the Certificate.

The "**Entitlement**" shall be the quantity of the Relevant Asset(s) equal to the Entitlement Amount specified in the applicable Final Terms or in the case of a Credit Linked Certificate, the relevant obligations and/or other assets as specified in the Credit Linked Conditions.

(b) *Final Terms*

The Final Terms applicable to the Certificates indicate either:

(i) that the Certificates cannot be redeemed prior to their Redemption Date (except as otherwise provided in paragraphs (f), (k), (l), (m) and (s) below and in Condition 12 (*Events of Default*)); or

(ii) that such Certificates will be redeemable at the option of the Issuer and/or the Certificateholders prior to such Redemption Date in accordance with the provisions of

paragraphs (c) and/or (d) below on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

(c) *Redemption at the Option of the Issuer*

If Issuer Call Option is specified as applicable in the applicable Final Terms, the Issuer may, having given notice (the period of which shall not be less than the minimum nor more than the maximum specified in the applicable Final Terms) in accordance with Condition 19 (*Notices*), to the Certificateholders (with a copy to the Trustee) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) each as specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Any such redemption must be of a notional amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms.

The "**Optional Redemption Amount**" in respect of each Certificate shall be an amount calculated by the Calculation Agent equal to:

(i) Notional Amount x the percentage or (ii) the Call Payout as specified in the applicable Final Terms,

Provided that if the product of the Call Payout is zero, no amount shall be payable on redemption of such Certificate.

In the case of a partial redemption of Certificates, the Certificates to be redeemed will be selected individually by lot (in the case of Certificates represented by Certificates in definitive form) and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg in the case of Certificates represented by a global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in notional amount, at their discretion) and in accordance with the rules of the relevant securities depositary and any relevant provisions in the applicable Final Terms (in the case of Registered Certificates), in each case not more than 30 days prior to the date fixed for redemption (the "**Selection Date**"). In the case of Certificates represented by Certificates in definitive form, a list of the serial numbers of such Certificates will be published in accordance with Condition 19 (*Notices*) not less than 15 days prior to the date fixed for redemption.

In respect of any Certificate, any notice given by the Issuer pursuant to this Condition 8(c) shall be void and of no effect in relation to that Certificate in the event that, prior to the giving of such notice by the Issuer, the holder of such Certificate had already delivered a Put Notice (as defined in Condition 8(d) (*Redemption at the Option of the Certificateholders*) below) in relation to that Certificate in accordance with Condition 8(d) (*Redemption at the Option of the Certificateholders*).

(d) *Redemption at the Option of the Certificateholders*

If Certificateholder Put Option is specified as applicable in the applicable Final Terms, upon the holder of any Certificate giving notice to the Issuer in accordance with Condition 19 (*Notices*) (the period of which shall not be less than the minimum nor more than the maximum specified in the applicable Final Terms) the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Certificate on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to but excluding the Optional Redemption Date. It may be that before an option to require the Issuer to redeem any Certificate can be exercised, certain conditions and/or circumstances will need to be satisfied.

The "**Optional Redemption Amount**" in respect of each Certificate shall be an amount calculated by the Calculation Agent equal to:

(i) Notional Amount x the percentage or (ii) the Put Payout, as specified in the applicable Final Terms,

Provided That if the product of the Put Payout is zero, no amount shall be payable on redemption of such Certificate.

To exercise the right to require redemption of a Certificate, the holder of such Certificate must, if the Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8(d) and, in the case of Registered Certificates, the notional amount thereof to be redeemed and, if less than the full notional amount of the Registered Certificates so surrendered is to be redeemed, an address to which a new Registered Certificate in respect of the balance of such Registered Certificates is to be sent subject to and in accordance with the provisions of Condition 1 (*Type, title and transfer*). If this Certificate is in definitive form, the Put Notice must be accompanied by this Certificate or evidence satisfactory to the Registrar that this Certificate will, following delivery of the Put Notice, be held to the order or under its control. If the Certificate is represented by a global Certificate or is in definitive form and held through Euroclear or Clearstream, Luxembourg, 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 Warrant and Certificate Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Warrant and Certificate Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Certificate is represented by a global Certificate, at the same time present or procure the presentation of the relevant global Certificate to the Principal Warrant and Certificate Agent for notation accordingly.

Any Put Notice given by a holder of any Certificate pursuant to this paragraph (d) shall be:

(i) irrevocable except where prior to the due date of redemption an Event of Default has occurred and the Trustee has declared the Certificates to be due and payable pursuant to Condition 12 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph (d); and

(ii) void and of no effect in relation to such Certificate in the event that, prior to the giving of such Put Notice by the relevant holder (A) such Certificate constituted a Redeemed Certificate, or (B) the Issuer had notified the Certificateholders of its intention to redeem all of the Certificates then outstanding, in each case pursuant to Condition 8(c) (*Redemption at the Option of the Issuer*).

(e) *Early Redemption Amounts*

For the purposes of paragraphs (f), (l) and (m) below and Condition 12 (*Events of Default*), the Final Terms may specify that the Certificates will be redeemed at the "**Early Redemption Amount**" calculated by the Calculation Agent in accordance with the following (or may specify an alternative calculation method) (provided that the Final Terms may specify more than one of the following amounts to apply in the applicable Final Terms in respect of different Early Redemption Events):

(i) in the case of Certificates with a Cash Settlement Amount equal to the Issue Price, at the Cash Settlement Amount thereof; or

(ii) subject to Condition 8(e)(iv) and 8(e)(v) in the case of a Certificate with a Cash Settlement 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 of the Certificate less associated costs; or

(iii) in the case of Certificates to which Physical Settlement is applicable, as determined in the manner specified in the applicable Final Terms; or

(iv) if Liquidation Proceeds is specified in the applicable Final Terms as the Early Redemption Amount, the Issuer shall appoint an agent to sell or otherwise realise the Charged Assets (the "**Disposal Agent**") which shall be the Calculation Agent (or such other party as may be agreed by the Issuer and the Trustee provided that, for the avoidance of doubt, the Disposal Agent may not be the Issuer) and the Early Redemption Amount in respect of each Certificate shall be the *pro rata* share of the Liquidation Proceeds. "**Liquidation Proceeds**" shall be an amount, subject to a maximum equal to the Liquidation Proceeds Cap save where "Liquidation Proceeds Cap" is specified as not applicable in the applicable Final Terms, equal to the amounts received by or on behalf of the Issuer upon the sale or realisation of the Charged Assets (including, without limitation, any termination payment received by the Issuer under the relevant Swap Agreement and/or the amount received by the Issuer in respect of the Charged Assets on the redemption date, expiration date or other date for final payment in respect of the Charged Assets) after the deduction of any fees (including, without limitation, any legal fees), costs, expenses and taxes incurred by the Disposal Agent (for itself and on behalf of the Issuer), in respect of the sale or realisation of the Charged Assets and the early redemption of the Certificates, any due and unpaid fees, costs and expenses of the Trustee and the Agents and any amounts due to be paid to the Swap Counterparty under the Swap Agreement. Where Liquidation Proceeds Cap is applicable, "**Liquidation Proceeds Cap**" means (A) in case of redemption of the Certificates as a result of an Early Redemption Event, the Cash Settlement Amount (calculated on the basis that any reference to the Redemption Date in relation to the determination thereof shall be deemed to be a reference to the Early Redemption Date) that would have been payable but for the occurrence of the Early Redemption Event; or (B) following a Certificate Acceleration, the Cash Settlement Amount (calculated on the basis that any reference to the Redemption Date in relation to the determination thereof shall be deemed to be a reference to the date on which notice of the Certificate Acceleration was given by the Trustee in accordance with Condition 12 (*Events of Default*)) that would have been payable but for the occurrence of the Event of Default. In respect of Certificates bearing interest, notwithstanding anything to the contrary herein, the Early Redemption Amount, as determined by the Calculation Agent in accordance with this Condition 8(e)(iv) shall include any accrued interest to (but excluding) the relevant early redemption date and apart from any such interest included in the Early Redemption Amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer in respect of such redemption. Unless otherwise specified in the applicable Final Terms, the Early Redemption Amount will be "Liquidation Proceeds" as defined above; or

(v) if Liquidation Proceeds/Fair Market Value is specified in the applicable Final Terms as the Early Redemption Amount, the Calculation Agent will determine the fair market value of a Certificate (taking into account the occurrence of the relevant Early Redemption Event but otherwise equal to a *pro rata* share of the amounts payable to the Issuer in respect of the Charged Assets following their early termination or realisation on or prior to

the Early Redemption Date) which such amount will be the Early Redemption Amount in respect of each Certificate unless such amount would be less than the *pro rata* share of the Liquidation Proceeds (subject to the Liquidation Proceeds Cap, if applicable) realised by a Disposal Agent appointed by the Issuer in respect of a Certificate, in which case a *pro rata* share of the Liquidation Proceeds (subject to the Liquidation Proceeds Cap, if applicable) will be the Early Redemption Amount in respect of each Certificate.

(f) *Redemption following Swap Counterparty optional termination*

Where "**Swap Counterparty optional termination - Call option**" is specified as being applicable in the Final Terms:

(i) within two Business Days of service by the Swap Counterparty of a notice that it has opted to terminate a Swap Agreement in whole or in part on the next following Interest Payment Date, the Issuer shall notify the relevant Certificateholders in accordance with Condition 19 (*Notices*) of the early redemption of the Certificates in whole or in part on such Interest Payment Date and, subject to the relevant provisions of Condition 8(l) (*Early Redemption Events*), shall redeem the relevant Certificates at their fair market value plus interest accrued thereon to such Interest Payment Date on such Interest Payment Date; or

(ii) within two Business Days of service by the Swap Counterparty of a notice that it has opted to terminate a Swap Agreement on any other date (where it has such right as so specified in the Final Terms) nominated by the Swap Counterparty (the "**Nominated Termination Date**"), the Issuer shall notify the relevant Certificateholders in accordance with Condition 19 (*Notices*) of the early redemption of the Certificates on such Nominated Termination Date and subject to Condition 8(l) (*Early Redemption Events*) shall redeem the Certificates at their fair market value plus interest accrued thereon (if any) to such Nominated Termination Date on such Nominated Termination Date.

If any such redemption becomes due to be made by the Issuer in accordance with this Condition 8 and payment to the Certificateholders pursuant hereto is not made, the security constituted by the Trust Deed shall become enforceable and the Trustee may take such action as is provided in Condition 12 (*Events of Default*) or the Trust Deed.

(g) *Instalments*

If the Certificates are repayable in instalments, they 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 will be determined pursuant to paragraph (e) above.

(h) *Redemption Date Postponement*

Where "Redemption Date Postponement" is specified as applicable the applicable Final Terms and the Redemption Date Postponement Event Condition is satisfied, the Redemption Date will be the day falling the number of Postponement Business Days after the Cash Settlement Payment Date.

For the purposes of this Condition 8(h):

"**Redemption Date Postponement Event Condition**" means due to the occurrence of an event leading to the occurrence of one or more Disrupted Days (in the case of Index Linked Certificates, Share Linked Certificates, Currency Linked Certificates or ETI Linked Certificates) or a Commodity Disrupted Day (in the case of Commodity Linked Certificates), the Cash Settlement Payment Date would not fall at least two Business Days before the scheduled Redemption Date specified in the applicable Final Terms;

"**Cash Settlement Payment Date**" means the day falling the number of Payment Delay Days after the Redemption Valuation Date;

"**Postponement Business Days**" means the number of Business Days specified in the applicable Final Terms and

"**Payment Delay Days**" means the number of Business Days specified in the applicable Final Terms.

(i) *Purchases*

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Compartment Assets, for the repayment of no more than the equivalent proportion of any amount deposited under any Deposit Agreement, for the termination of no more than the equivalent proportion of any Swap Agreement and for the purchase of the Certificates, which transaction will leave the Issuer with no net liabilities in respect thereof, the Issuer may at any time purchase Certificates at any price in the open market or otherwise, in accordance with applicable laws and regulations. The Trustee will accept as evidence of the satisfaction of the criteria to such purchase a certificate (which it may rely on without further enquiry) of the Issuer confirming such arrangements and confirming that the remaining Charged Assets are sufficient to secure the Issuer's remaining obligations in respect of the remaining Certificates. If required by any applicable law or regulation, Certificates purchased by or on behalf of the Issuer will be surrendered for cancellation (within one Business Day of such purchase) by surrendering the certificate representing such Certificates to the Registrar.

In such circumstances:

(A) the Issuer and the Secured Parties will be deemed to have consented to the release of the security in respect of that proportion of the Charged Assets that corresponds to the number of the Certificates so purchased;

(B) unless an Event of Default or an event or circumstance that could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 12 (*Events of Default*) become an Event of Default (a "**Potential Event of Default**") has occurred and the Trustee has actual notice of such occurrence, such proportion of the Charged Assets shall be deemed to have been released from the security created under the Trust Deed.

(j) *Cancellation*

All Certificates which are redeemed or purchased by the Issuer will forthwith be cancelled and may not be reissued or resold. Upon such cancellation, in the case of Certificates which are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange, the Issuer will forthwith inform the Luxembourg Stock Exchange of such cancellation. All Certificates so cancelled and any Certificates purchased and cancelled pursuant to paragraph (i) above shall be forwarded to the Principal Warrant and Certificate Agent or, in the case of Registered Certificates, the Registrar, and cannot be reissued or resold.

(k) If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject in the case of Credit Linked Certificates, to the provisions of Annex 10 (*Additional Terms and Conditions for Credit Linked Securities*). Upon automatic exercise each Certificate entitles its Certificateholder to receive from the Issuer the Cash Settlement Amount on the Exercise Settlement Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

"**Exercise Settlement Date**" means the date(s) specified as such in the applicable Final Terms.

(l) *Early Redemption Events*

The applicable Final Terms may specify that any of the following events applies. If any does so apply then in each case, in the event that the Calculation Agent notifies the Issuer and (if applicable) the Guarantor in writing (with a copy to the Trustee, on which notification the Trustee shall rely without further investigation or enquiry) that it has determined that one or more (as applicable) of the following events (each, an "**Early Redemption Event**") has occurred:

(i) there is a payment default in respect of any of the Charged Assets (other than the relevant Swap Agreement) (an "**Asset Payment Default Event**"); or

(ii) the issuer or primary obligor in respect of any of the Charged Assets (each, a "**Charged Assets Issuer**") or any guarantor of the Charged Assets Issuer's obligations in respect of any Charged Assets fails to perform or observe any of its obligations under the relevant Charged Assets and the failure continues after the expiration of any applicable grace period or the occurrence of any event (including, but not limited to, default, event of default, or other similar condition or event (howsoever described)) that results in the Charged Assets becoming capable of being declared due and payable before they would otherwise have been due and payable (an "**Asset Default Event**"); or

(iii) any of the Compartment Assets is, for any reason, redeemed or otherwise terminated prior to its scheduled redemption or termination date (an "**Asset Redemption Event**"); or

(iv) there is a payment default in respect of any of the Charged Assets (other than the relevant Swap Agreement) or the aggregate amount received by the Issuer in respect of the Charged Assets on the redemption date, expiration date or other date for final payment in respect of the Charged Assets is less than the aggregate of the Final Redemption Amounts payable by the Issuer in respect of the Certificates (an "**Asset Payment Shortfall Event**"); or

(v) on or after the Trade Date, (A) due to the adoption of any change in any applicable law or regulation (including, without limitation, any tax law) 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 brought in a court of competent jurisdiction), either (1) any amount is required to be deducted or withheld for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of any payment to be received by the Issuer under one or more Compartment Assets or (2) the Issuer becomes obliged to pay any amount for or on account of any tax, levy, impost, duty, charge, assessment or fee of any nature imposed by any government or other taxing authority in respect of (I) any payment received by the Issuer under one or more Compartment Asset or (II) holding, acquiring or disposing of any Compartment Asset (a "**Compartment Tax Event**"); or

(vi) the early termination of any Swap Agreement (or any other agreement specified as a Related Agreement in the Final Terms) entered into in respect of the Certificates other than where the Issuer is the Defaulting Party (as defined in the relevant Swap Agreement) thereunder and the relevant event of default relates to the insolvency of the Issuer or under the Certificates or due to the purchase by the Issuer of all the outstanding Certificates of a series (a "**Related Agreement Termination Event**"); or

(vii) where an Annex to these Conditions is applicable, and/or in accordance with Condition 8(o)(B) below, the Calculation Agent notifies the Issuer that an event has occurred in respect of which the Calculation Agent in good faith and in a commercially reasonable

manner determines it is not possible to make an adjustment in respect of such event and that the Certificates should be redeemed early as contemplated in either (A) such Annex or (B) Condition 8(o)(B), as the case may be (an "**Annex Early Redemption Event**"); or

(viii) on or after the Trade Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation in respect of tax, solvency 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 or financial authority), or the combined effect thereof if occurring more than once, the Issuer or the Calculation Agent determines in good faith and in a commercially reasonable manner that it has become illegal for (1) the Issuer to perform its obligations in respect of any Certificates or the Swap Counterparty to perform its obligations in respect of any Swap Agreement, (2) for the Issuer to hold, acquire or dispose of relevant hedge positions relating to any Certificates or for the Swap Counterparty to hold, acquire or dispose of relevant hedge positions relating to any Swap Agreement save where such an event in (A) or (B) would constitute an Additional Disruption Event or an Optional Additional Disruption Event (in the case of Index Linked Certificates, Share Linked Certificates, Commodity Linked Certificates, Currency Linked Certificates, Underlying Interest Rate Linked Certificates or ETI Linked Certificates) or an Extraordinary Fund Event (in the case of Fund Linked Certificates) or an Extraordinary ETI Event (in the case of ETI Linked Certificates) or the Certificates are Inflation Linked Certificates, or (3) for the Issuer to hold, acquire or dispose of any Compartment Assets (a "**Compartment Change in Law Event**");

(ix) the Calculation Agent deems that, on or after the Trade Date, any of the following has occurred in respect of the Reference Securities

(A) any event (by way of change to the actual terms and conditions applicable to the Reference Securities or by way of exchange of the Reference Securities with another asset) which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals, (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates, (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation or any change in the currency or composition of any payment of interest or principal under the Reference Securities; or

(B) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities or a cancellation, conversion or compulsory exchange of the Reference Securities; or

(C) any event analogous to the events specified in (A) or (B),

(a "**Reference Securities Restructuring Event**")

(x) (A) any event occurring as a result of action taken or 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 any case, irrespective of whether such event is expressly provided for under the terms of the Reference Securities which would cause (1) a reduction in the amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination), (2) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates (including by

way of redenomination), (3) 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, (4) a change in the ranking in priority of payment of any obligation of the issuer of the Reference Securities, causing the subordination of the Reference Securities to any other obligation, or (5) any change in the currency or composition of any payment of interest or principal under the Reference Securities; or

(B) any expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Securities, or a mandatory cancellation, conversion or exchange; or

(C) any event which has an analogous effect to any of the events specified in (A) or (B),

(a "**Reference Securities Regulatory Event**"); or

(xi) an authorised officer of the issuer of the Charged Assets or any guarantor of the obligations of the issuer of the Charged Assets in respect of any Charged Assets or a governmental authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Charged Assets or declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to the Charged Assets (a "**Charged Assets Repudiation/Moratorium Event**"); or

(xii) the issuer, or primary obligor, or guarantor in respect of any of the Charged Assets:

(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: (1) 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 (2) 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.

(a "**Charged Assets Issuer Bankruptcy Event**")

the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (which notice shall be irrevocable) to the Trustee and the Certificateholders pursuant to Condition 19 (*Notices*) prior to the specified date of redemption that it intends to redeem the Certificates in accordance with this Condition 8(l), and upon the expiry of such notice, the Issuer shall redeem all, but not some only, of the Certificates at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date of redemption specified in the relevant notice (the "**Early Redemption Date**"), provided that, where Redemption Date Extension applies as set out in Condition 8(n) (*Redemption Date Extension*), such redemption shall take place in accordance with Condition 8(n).

Where Swap Termination Without Redemption is specified as applicable in the applicable Final Terms, the Swap Agreement shall be deemed not to be included in the term "Charged Assets" as used in Conditions 8(l)(i) to (iv) (inclusive) and the definition of Related Agreement Termination Event in Condition 8(l)(vi) shall not apply and shall be replaced by the following definition:

"(vi) the early termination of any Swap Agreement entered into in respect of the Certificates other than where (i) the Issuer is the Defaulting Party (as defined in the relevant Swap Agreement) and the relevant event of default relates to the insolvency of the Issuer, (ii) a Swap Default has occurred, (iii) where an Annex to these Conditions is applicable or Condition 8(o)(B) applies, the Swap Agreement terminates in whole or in part as a result of an event in respect of which the Calculation Agent determines that it is not possible to make an adjustment to the terms of the Certificates in respect of such event in accordance with such Annex or Condition 8(o)(B) but due to the application of provisions relating to delayed redemption in the relevant Annex or Condition 8(o)(B)(c), the Certificates are not due to be redeemed until the Maturity Date or (iv) the Swap Agreement terminates due to the purchase by the Issuer of all the outstanding Notes of a series (a "**Related Agreement Termination Event**");"

(m) *Redemption for taxation and other reasons*

(i) If so specified in the Final Terms, then if the Issuer, on the occasion of the next payment due in respect of the Certificates, would be required by law to withhold or account for tax or would suffer tax in respect of its income or payments so that it would be unable to make payment of the full amount due, the Issuer shall so inform the Trustee and the Swap Counterparty in writing and shall use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Trustee and the Swap Counterparty as the principal obligor or to change (to the satisfaction of the Trustee and the Swap Counterparty) its residence for taxation purposes to another jurisdiction approved in writing by the Trustee and the Swap Counterparty and, if it is unable to arrange such substitution or change before the next payment is due in respect of the Certificates, the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (unless otherwise specified in the Final Terms) to the Trustee and the Certificateholders (which notice shall be irrevocable), and upon expiry of such notice shall redeem all but not some only of the Certificates at their Early Redemption Amount together with interest (if any) accrued to the date fixed for redemption. Such notice shall be given promptly upon the occurrence of any of the above events.

(ii) Where this Condition 8(m) is specified as being applicable in the applicable Final Terms, if (x) a Swap Agreement is terminated in whole for any reason save for where Condition 8(f) (*Redemption following Swap Counterparty optional termination*) is applicable and the Swap Counterparty exercises its rights to terminate the Swap Agreement according to its

terms or a Repurchase Agreement is terminated for any reason, or a Deposit Agreement is terminated for any reason in each case save where the Issuer has purchased all the Certificates pursuant to, and in accordance with, Condition 8(i) (*Purchases*); or (y) the Issuer satisfies the Trustee (by the provision of such certificates and opinions as the Trustee deems necessary) that the performance of its obligations under the Certificates or that any arrangements made to hedge its position under the Certificates have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, then the Issuer shall forthwith give not more than 25 nor less than 10 days' notice (unless otherwise specified in the Final Terms) to the Trustee, the Certificateholders and the Swap Counterparty (which notice shall be irrevocable) and on the expiry of such notice shall redeem all but not some only of the Certificates at their Early Redemption Amount together with interest (if any) accrued to the date fixed for redemption. Such notice shall be given promptly upon the occurrence of either of the above events and such redemption made, unless the Trustee shall certify to the Issuer that it considers in its absolute discretion that it is in the interests of the holders of the Certificates that such notice and redemption be delayed or not given or made, as the case may be, or an Extraordinary Resolution of the holders of the Certificates shall otherwise direct.

(n) *Redemption Date Extension*

Where:

(A) "**Redemption Date Extension**" is specified in the applicable Final Terms as being applicable on the Early Redemption Date (or on the Redemption Date if the Early Redemption Event occurs on such date); and/or

(B) Swap Termination Without Redemption is specified in the applicable Final Terms as being applicable, a Swap Default has occurred and the Issuer has not received any Early Termination Amount (as defined in the Swap Agreement) due to it in the manner set out in Condition 9(k) (*Swap termination*) on or prior to the Redemption Date,

the terms of this Condition 8(n) shall apply as set out below, provided that, where sub-clause (B) applies and no Early Redemption Event has also occurred, the provisions of Conditions 8(n)(i), 8(n)(ii), 8(n)(vi) and 8(n)(vii) only shall apply.

(i) Where the Issuer has not received in full the amount it is scheduled to receive on or prior to such date in respect of any of the Charged Assets relating to the relevant Certificates (such assets, the "**Non-Performing Assets**") it shall, on the Early Redemption Date or the Redemption Date, as the case may be, pay any amounts it has received in respect of the Charged Assets *pro rata* to the Certificateholders (provided that all amount(s) which are to be deducted from such amounts in accordance with the definition of Liquidation Proceeds have been paid in full or, where a Swap Default has occurred and Swap Termination Without Redemption applies and no Early Redemption Event has also occurred, the amounts which are to be deducted as set out in Condition 9(k) (the "**Deduction Amounts**")) and redemption in full of the Certificates will be postponed until the date specified in the applicable Final Terms as the "Extended Redemption Date" (the "**Extended Redemption Date**"), provided that if during the Extension Period the Calculation Agent gives at least three Business Days' notice to the Issuer that the Calculation Agent, in good faith and in a commercially reasonable manner, has determined that the Issuer will not receive any further amounts in respect of the Non-Performing Assets and that it will not be possible to realise any further amounts in respect of the Non-Performing Assets, the date on which such notice expires shall be deemed to

be the actual Extended Redemption Date and no further amounts shall be paid by the Issuer in respect of the Certificates following such date.

(ii) On each day in the Extension Period falling three Business Days after the receipt of any amounts by the Issuer in respect of any Non-Performing Asset, the Issuer shall procure that such amounts are paid *pro rata* to the Certificateholders as set out in Condition 8(n)(v) and provided that the Deduction Amounts have been paid in full.

(iii) The Issuer shall appoint an agent (which may be the Swap Counterparty, provided the Swap Counterparty is not the obligor in respect of a relevant Non Performing Asset, or the Trustee or any other party which the Issuer may appoint with the consent of the Trustee) to assist it in recovering amounts in respect of the Non Performing Assets (a "**Realisation Agent**"). Any fees, costs and expenses charged and incurred by the relevant Realisation Agent will be deducted from the amounts available to pay Certificateholders or any other Secured Party which is entitled to such amounts.

(iv) If "Sale of Assets" is specified in the applicable Final Terms and there is a Non-Performing Asset, the Issuer shall, at the request of the Calculation Agent, procure that any Non-Performing Asset and any other Charged Asset in respect of the relevant Compartment (or the Issuer's rights thereto) which the Issuer is requested by the Calculation Agent to sell shall be sold by the relevant Disposal Agent prior to the Extended Redemption Date and the proceeds from such sale (less any costs or expenses incurred in such sale) will be applied in accordance with the terms of this Condition 8(n) and, if the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, that such sale is not possible in respect of any Non-Performing Asset, it shall be deemed that the amount received in respect of such Non-Performing Asset is equal to zero.

(v) The total amount received in respect of the Charged Assets in the period from, and including, the Redemption Date or the Early Redemption Date, as the case may be, to, but excluding, the Extended Redemption Date (the "**Extension Receipts**") shall be deemed to form part of the Liquidation Proceeds as set out in Condition 8(e) provided that, to the extent amounts are owed to Secured Parties other than the Certificateholders in respect of the relevant Series of Certificates, the Issuer shall apply the Extension Receipts in accordance with the applicable Order of Priority which would apply following a Certificate Acceleration in respect of the Certificates and any reference to amounts being paid to the Certificateholders in this Condition 8(n) shall be construed accordingly.

(vi) No interest shall accrue on the Certificates for the period from, and including, the Redemption Date or the Early Redemption Date, as the case may be, to, and including, the Extended Redemption Date if redemption of the Certificates in whole or in part is postponed to the Extended Redemption Date in accordance with this Condition 8(n) unless specified otherwise in the applicable Final Terms.

(vii) As used in this Condition 8(n), "**Extension Period**" means the period from, but excluding, the Redemption Date or the Early Redemption Date to, and including, the Extended Redemption Date.

(o) *Additional Disruption Events and Optional Additional Disruption Events*

(A) **Definitions**

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption (unless specified to be not applicable in the applicable Final Terms) and any Optional Additional Disruption Event specified as being applicable in the applicable Final Terms;

"**Cancellation Event**" means that in the determination of the Calculation Agent all or some of the Debt Securities are redeemed prior to their stated Redemption Date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for (i) the Issuer to hedge the Issuer's obligations in respect of the Certificates and/or (ii) the Swap Counterparty or its Affiliates to hedge the Swap Counterparty's obligations in respect of the Swap Agreement;

"**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, any law or regulation in respect of tax, 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 Calculation Agent determines in good faith and in a commercially reasonable manner that:

(a) it has become illegal for the Issuer, the Swap Counterparty and/or any of the Swap Counterparty's Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Linked Certificates), any relevant hedge position relating to a Debt Security (in the case of Debt Linked Certificates), any relevant hedge position relating to a Share (in the case of Share Linked Certificates), any relevant hedge position relating to an ETI (in the case of ETI Linked Certificates), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Linked Certificates), any relevant hedge position relating to a Fund Share (in the case of Fund Linked Certificates) or any other hedge position relating to the Certificates (each a "**Hedge**"); or

(b) the Swap Counterparty 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 performing its obligations in respect of the Swap Agreement 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 the Swap Counterparty or any of the Swap Counterparty's Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Securities or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Securities (for the purposes of hedging the Issuer's obligations under the Certificates or the Swap Counterparty's obligations in respect of the Swap Agreement) are denominated, into the Settlement Currency, as the case may be, 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 Securities or any options or futures contracts in relation to the Index, the Shares or the Debt Securities 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 Certificates;

"**Failure to Deliver due to Illiquidity**" means 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 Certificates 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 the Swap Counterparty or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction; or

(d) the bankruptcy of the hedging counterparty of the Swap Counterparty (or of an affiliate) in relation to the Certificates where it is impossible for the Swap Counterparty (or such afifiliate) to find another hedging counterparty in relation to the Certificates;

"**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 Swap Counterparty 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 Swap Counterparty performing its obligations with respect to the Swap Agreement, 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 Swap Agreement, as determined by the Calculation Agent;

"**Hedging Shares**" means the number of components comprised in an Index (in the case of Index Linked Certificates), or the number of Shares (in the case of Share Linked Certificates) that the Swap Counterparty 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 Swap Agreement;

"**Increased Cost of Hedging**" means that the Swap Counterparty 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 Linked Certificates) or, in respect of any Index Linked Certificates relating to a Custom Index, any relevant hedge positions relating to an Index or, in respect of any Debt Linked Certificates, any relevant hedge positions relating to a Debt Security, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Swap Counterparty performing its obligations under the Swap

Agreement entered into with respect to the Certificates, 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 Linked Certificates relating to a Custom Index, any relevant hedge positions relating to an Index or, in respect of any Debt Linked Certificates any relevant hedge positions relating to a Debt Security, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Swap Counterparty and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

"**Increased Cost of Stock Borrow**" means that the Swap Counterparty and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Linked Certificates) or any Share (in the case of Share Linked Certificates) 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 Linked Certificates) or a Share (in the case of Share Linked Certificates) 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 the Swap Counterparty 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 Securities or any options or futures contracts in relation to the Index, the Shares or the Debt Securities in order for the Issuer to perform its obligations under the Certificates or in respect of any relevant hedging arrangements in connection with the Certificates (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 or the Swap Counterparty and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Certificates) 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 Swap Counterparty and/or any of its Affiliates 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 Linked Certificates) or any Share (in the case of Share Linked Certificates), 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 Linked Certificates) or a Share (in the case of Share Linked Certificates), 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.

(B) If an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Calculation Agent may take the action described in (a) or, if applicable, (b), (c), (d) or (e) below, as the case may be, provided that where the circumstances giving rise to such Additional Disruption Event and/or Optional Additional Disruption Event result in a determination, adjustment or calculation being made in respect of the relevant Swap Agreement, the Calculation Agent shall, to the extent applicable, make the corresponding determination, adjustment or calculation in respect of the Certificates:

(a) determine in good faith and in a commercially reasonable manner 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 Certificateholders in accordance with Condition 19 of the Certificates (*Notices*), notify the Issuer and the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the Early Redemption Amount in accordance with Condition 8(e). Payments will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 19 of the Certificates (*Notices*); or

(c) if Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, on the Redemption Date the Issuer shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Condition 8(o)(B)(c) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Certificate, and subject to a minimum of zero, a *pro rata* share of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure); or

(d) in the case of Index Linked Certificates linked to a Custom Index, 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**"), promptly notify the Issuer and the Issuer will give notice to the Certificateholders in accordance with Condition 19 of the Certificates (*Notices*) and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Certificates 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 good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner 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 Linked Certificates linked to a Basket of Shares, 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 Certificates, 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 Certificates are Physical Delivery Certificates) 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 good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Certificates 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 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 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 good faith and in a commercially reasonable manner 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 the Calculation Agent determines, acting in good faith and in a commercially reasonable manner:

(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:

(X) subject as provided elsewhere in the Terms and Conditions of the Certificates, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Redemption Date in accordance with Condition 6(b) (*Physical Delivery*); and

(Y) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Calculation Agent may, in good faith and in a commercially reasonable manner, require that the Issuer satisfies its obligations in respect of the relevant Certificates by payment to the relevant Certificateholders of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Certificateholders in accordance with Condition 19 (*Notices*). Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 19 (*Notices*).

For the purposes hereof:

"**Failure to Deliver Redemption Amount**" means, in respect of any relevant Certificate, the fair market value of such Certificate (taking into account the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Swap Counterparty and/or its Affiliates and/or the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner (or, whereas provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(C) Notwithstanding any other provision of these Conditions, in making its determination in the manner set out in Condition 8(o)(B) above, the Calculation Agent shall, to the extent applicable to the relevant Certificates, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Additional Disruption Event or Optional Additional Disruption Event.

(D) 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 Certificateholders in accordance with Condition 19

(*Notices*) 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.

(E) In determining to take a particular action as a result of an Additional Disruption Event or Optional Additional Disruption Event, the Calculation Agent is under no duty to consider the interests of Certificateholders or any other person. In making any determination as to which action to take following the occurrence of an Additional Disruption Event or Optional Additional Disruption Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Certificateholders or any other person in connection with the Certificates as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Certificates.

(p) *Payout Switch*

If Payout Switch is specified as applicable in the applicable Final Terms (i) if Payout Switch Election is specified as applicable in the applicable Final Terms, the Issuer shall (where a corresponding election is made by the Swap Counterparty in respect of the Swap Agreement relating to the Certificates) elect that or (ii) if Automatic Payout Switch is specified as applicable in the applicable Final Terms and an Automatic Payout Switch Event occurs, the Final Payout for the Certificates will be amended (a "**Payout Switch**") from the Final Payout specified in the Final Terms to the Switched Payout specified in the applicable Final Terms on and after the Payout Switch Date specified in the applicable Final Terms. Notice of any Payout Switch will be given to Holders in accordance with Condition 19.

"**Automatic Payout Switch Event**" means that the SPS APS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" or (d) "less than or equal to", as specified in the applicable Final Terms, the Automatic Payout Switch Level, (x) on a SPS APS Valuation Date or (y) in respect of a SPS APS Valuation Period, as specified in the applicable Final Terms;

"**Automatic Payout Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**SPS APS Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**SPS APS Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS APS Valuation Period**" means each period specific as such in the applicable Final Terms.

(q) *Knock-in Event and Knock-out Event*

(A) If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Certificates 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.

(B) If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Certificates 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.

(C) In respect of Index Linked Certificates, Share Linked Certificates, Debt Linked Certificates or ETI Linked Certificates, 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 Certificates other than Custom Index Linked Certificates or Debt Linked Certificates, 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 Linked Certificates or Debt Linked Certificates, a Custom Index Disruption Event or Market Disruption Event, as applicable, is occurring, then 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.

(D) In respect of Commodity Linked Certificates or Currency Linked Certificates, 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 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.

(E) In respect of Certificates other than Custom Index Linked Certificates or Debt Linked Certificates, 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 Linked Certificates, Share Linked Certificates or ETI Linked Certificates, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Linked Certificates, a Disruption Event or (c) in the case of Commodity Linked Certificates, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Certificates other than Commodity Linked Certificates or Currency Linked Certificates, 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.

(F) In respect of Debt Linked Certificates, 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 Security is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Security 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 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.

(r) *Definitions relating to Knock-in Event/Knock-out Event*

"**Knock-in Determination Day**" means (a) each date, (b) each Scheduled Trading Day in the Knock-in Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-in Determination Period, or (d) each Business Day in the Knock-in Determination Period, or (e) each Commodity Business Day in the Knock-in Determination Period, as specified 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) if SPS Knock-in Valuation is specified as applicable in the applicable Final Terms, the Knock-in Value is; or

(b) if the Certificates are Currency Linked Certificates and FX Knock-in Valuation is specified as applicable in the applicable Final Terms:

(i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or

(ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is; or

(c) if SPS Knock-in Valuation is specified as not applicable in the applicable Final Terms: and, if the Certificates are Currency Linked Certitficates, unless FX Knock-in Valuation is specified as applicable in the applicable Final Terms::

(i) in respect of a single Underlying Reference, that the Level is; or

(ii) 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 and (y) the relevant Weighting is,

(1) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (2) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, as specified in all the applicable Final Terms;

"**Knock-in Level**" means the FX Knock-in Level or the price, level, 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 Linked Certificates (other than Custom Index Linked Certificates), Share Linked Certificates, ETI Linked Certificates, Debt Linked Certificates or Currency Linked Certificates), a Commodity Business Day (in the case of Commodity Linked Certificates), a Scheduled Custom Index Business Day (in the case of Custom Index Linked Certificates),or Business Day (in the case of other Certificates), 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 Linked Certificates (other than Custom Index Linked Certificates), Share Linked Certificates, ETI Linked Certificates, Debt Linked Certificates or Currency Linked Certificates), a Commodity Business Day (in the case of Commodity Linked Certificates), a Scheduled Custom Index Business Day (in the case of Custom Index Linked Certificates), or Business Day (in the case of other Certificates), 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 Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**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-in Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Knock-out Determination Day**" means (a) each date, (b) each Scheduled Trading Day in the Knock-out Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-out Determination Period, or (d) each Business Day in the Knock-out Determination Period as specified in the applicable Final Terms or (e) each Commodity Business Day in 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) if SPS Knock-out Valuation is specified as applicable in the applicable Final Terms, the Knock-out Value is, or

(b) if the Certificates are Currency Linked Certificates and FX Knock-out Valuation is specified as applicable in the applicable Final Terms:

  (i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or

  (ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is, or

(c) if SPS Knock-out Valuation is specified as not applicable in the applicable Final Terms: and, if the Certificates are Currency Linked Certificates, unless FX Knock-out Valuation is specified as applicable in the applicable Final Terms:

  (i) in respect of a single Underlying Reference, that the Level is; or

  (ii) 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 and (y) the relevant Weighting is,

(1) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (2) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms (x) on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms;

"**Knock-out Level**" means the FX Knock-out Level or the price, level, 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 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 Index Linked Certificates (other than Custom Index Linked Certificates), Share Linked Certificates, ETI Linked Certificates, Debt Linked Certificates or Currency Linked Certificates), a Commodity Business Day (in the case of Commodity Linked Certificates) or a Scheduled Custom Index Business Day (in the case of Custom Index Linked Certificates) or Business Day (in the case of other Certificates), 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 Linked Certificates (other than Custom Index Linked Certificates), Share Linked Certificates, ETI Linked Certificates, Debt Linked Certificates or Currency Linked Certificates), a Commodity Business Day (in the case of Commodity Linked Certificates), a Scheduled Custom Index Business Day (in the case of Custom Index Linked Certificates) or Business Day (in the case of other Certificates), 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;

"**Knock-out Value**" means the value from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Level**" means, for the purposes of this Condition, (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 Linked Certificates and ETI Linked Certificates, the price of the relevant Underlying Reference, (b) in the case of Index Linked Certificates and Custom Index Linked Certificates, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Certificates the Relevant Price, or (d) in the case of Currency Linked Certificates, 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;

"**Payout Conditions**" means the terms and conditions set out in Annex 1 (*Additional Terms and Conditions for Payouts*).

"**Relevant Adjustment Provisions**" means:

(a) in the case of Index Linked Certificates, Index Linked Condition 1 (*Market Disruption*) and Index Linked Condition 2 (*Adjustments to an Index*);

(b) in the case of Custom Index Linked Certificates, Index Linked Condition 6 (*Adjustments to a Custom Index and Custom Index Disruption*);

(c) in the case of Share Linked Certificates, Share Linked Condition 1 (*Market Disruption*) and Share Linked Condition 2 (*Potential Adjustment Events and Extraordinary Events*);

(d) in the case of ETI Linked Certificates, ETI Linked Condition 2 (*Market Disruption*) and ETI Linked Condition 3 (*Potential Adjustment Events*);

(e) in the case of Commodity Linked Certificates, Commodity Linked Condition 1 (*Market Disruption*) and Commodity Linked Condition 2 (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

(f) in the case of Currency Linked Certificates, Currency Linked Condition 2 (*Disruption Events*) and Currency Linked Condition 3 (*Consequences of a Disruption Event*); and

(g) in the case of Debt Linked Certificates, Debt Linked Condition 2 (*Market Disruption*), Debt Linked Condition 3 (*Correction of Debt Security Price*) and Debt Linked Condition 4 (*Redemption or Cancellation of a Debt Security*); and

"**Underlying Reference**" means, for the purposes of this Condition, each Index, Custom Index, Share, Debt Security, ETI Interest, Commodity, Commodity Index, Subject Currency or other basis of reference to which the relevant Certificates relate.

(s) *Automatic Early Redemption*

(A) 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 Certificates 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.

Notwithstanding the preceding paragraph, an Automatic Early Redemption Event 1 may only occur on an AER 1 Redemption Valuation Date or in respect of an AER 1 Redemption Valuation Period and an Automatic Early Redemption Event 2 may only occur on an AER 2 Redemption Valuation Date or in respect of an AER 2 Redemption Valuation Period.

(B) Definitions

"**AER Event 1 Underlying(s)**" means the Underlying Reference or each Underlying Reference comprising the Basket of Underlying References, in each case specified as such in the applicable Final Terms;

"**AER Event 2 Underlying(s)**" means the Underlying Reference or each Underlying Reference comprising the Basket of Underlying References, in each case specified as such in the applicable Final Terms;

"**AER Rate**" means the rate specified as such or determined in the manner set out in the applicable Final Terms;

"**AER Knock-out Event**" means the occurrence (such date of occurrence the **AER Knock-out Date**) of a Knock-out Event and/or a Knock-in Event as specified in the applicable Final Terms;

"**Automatic Early Redemption Amount**" means, in respect of each notional amount of Certificates equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms or if not set out an amount equal to the product of (i) the Calculation Amount and (ii) the sum of the relevant Automatic Early Redemption Percentage and the relevant AER Rate relating to that Automatic Early Redemption Date. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Certificate pursuant to this Condition. If the Automatic Early Redemption Amount is not an amount in the Settlement Currency, if specified in the applicable Final Terms, it will be converted into Settlement Currency at the Exchange Rate specified in the applicable Final Terms;

"**Automatic Early Redemption Date**" means (i) if Target Automatic Early Redemption, FI Underlying Automatic Early Redemption or FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs, or, otherwise, (ii) 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 Certificateholder shall be entitled to any interest or further payment in respect of such delay;

"**Automatic Early Redemption Event**" means:

(i) if Target Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Cumulative Coupon is equal to or greater than the Automatic Early Redemption Percentage;

(ii) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms, that:

(i) (in respect of an Underlying Reference (other than a Subject Currency)) the Underlying Reference Level is; or

(ii) (in respect of a Subject Currency), the FX Coupon Performance determined by the Calculation Agent is,

(A) equal to or greater than the Automatic Early Redemption Level 1 and (B) less than or equal to the Automatic Early Redemption Level 2;

(iii) if FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case in respect of the Current Interest Period is equal to or greater than the Automatic Early Redemption Percentage;

(iv) if Standard Automatic Early Redemption and SPS AER Valuation are specified as applicable in the applicable Final Terms, that:

(1) the SPS AER Value 1 in respect of the AER Event 1 Underlying(s) 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 1 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**"); and/or

(2) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms, the SPS AER Value 2 in respect of the AER Event 2 Underlying(s) 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 2 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**"); or

(v) if Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms and SPS AER Valuation is specified as not applicable in the applicable Final Terms:

(1) (A) if AER Event 1 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 1 or (B) if AER Event 1 Basket is specified as applicable in the applicable Final Terms, the Basket Price 1 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 1 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**");

(2) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms (A) if AER Event 2 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 2 or (B) if AER Event 2 Basket is specified as applicable in the applicable Final Terms, the Basket Price 2 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 2 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**");

(vi) if Single Standard Automatic Early Redemption and SPS AER Valuation are specified as applicable in the applicable Final Terms, that the SPS AER Value 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;

(vii) if Single Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms and SPS AER Valuation is specified as not applicable in the applicable Final Terms (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, (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; and/or

(viii) if AER Knock-out is specified in the applicable Final Terms, an AER Knock-out occurs;

"**Automatic Early Redemption Level**" means the price, level, 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 Level 1**" means the price, level, 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 Level 2**" means the price, level, 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;

"**Automatic Early Redemption Valuation Date**" or "**AER 1 Redemption Valuation Date**" or "**AER 2 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 Linked Certificates (other than Custom Index Linked Certificates), Share Linked Certificates, Debt Linked Certificates, Currency Linked Certificates or ETI Linked Certificates) a Scheduled Custom Index Business Day (in respect of Custom Index Linked Certificates), a Commodity Business Day (in respect of Commodity Linked Certificates), a Fund Business Day (in the case of Fund Linked Certificates) or Business Day (in the case of other Certificates), as applicable, the next following Scheduled Trading Day, Scheduled Custom Index Business Day, Commodity Business Day, Fund Business Day or Business Day, as applicable, unless, in the case of Index Linked Certificates, Share Linked Certificates, Debt Linked Certificates, Commodity Linked Certificates, Currency Linked Certificates or ETI Linked Certificates, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Linked Certificates (other than Custom Index Linked Certificates), Share Linked Certificates, Debt Linked Certificates, Currency Linked Certificates or ETI Linked Certificates), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Linked Certificates) or a Market Disruption Event is occurring on such day (in respect of Commodity Linked Certificates). 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 Linked Certificates) 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 Linked Certificates) 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**" or "**AER 1 Redemption Valuation Period**" or "**AER 2 Redemption Valuation Period**" means the period 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 8(s), the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Securities, Basket of Commodities, or other basis of reference to which the value of the relevant Certificates may relate, as specified in the applicable Final Terms;

"**Basket Price 1**" means, in respect of any AER 1 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 1 Underlying comprising the Basket of Underlying References as the product of (a) the Underlying Reference Level 1 of such AER Event 1 Underlying on such AER 1 Redemption Valuation Date and (b) the relevant Weighting;

"**Basket Price 2**" means, in respect of any AER 2 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 2 Underlying comprising the Basket of Underlying References as the product of (a) the Underlying Reference Level 2 of such AER Event 2 Underlying on such AER 2 Redemption Valuation Date and (b) the relevant Weighting;

"**Cumulative Coupon**" means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current Interest Period as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for such Interest Period plus (b) the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for the Current Interest Period;

"**Current Interest Period**" means, in respect of an Automatic Early Redemption Valuation Date, the Interest Period during which such Automatic Early Redemption Valuation Date falls;

"**Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**Multiple Underlying Interest Rate Gearing**" means, in respect of an Underlying Interest $\text{Rate}_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"**Multiple Underlying Reference Rate**" means, in respect of an Underlying Interest $\text{Rate}_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate;

"**Multiple Underlying Reference Rate Value**" means the value calculated in accordance with the following formula:

$$\sum_{i=1}^{n} \text{Multiple Underlying Interest Rate Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$

"**SPR AER Value**", **SPS AER Value 1**" or "**SPS AER Value 2**" means the value specified from Payout Condition 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of this Condition 8(s), each Index, Custom Index, Share, Debt Security, ETI Interest, Commodity, Commodity Index, Subject Currency, Fund or other basis of reference to which the relevant Certificates relate. If two

or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate$_{(i)}$ specified as such (together the "**Multiple Underlying Interest Rate**") will be calculated separately and independently but for the purposes of this Condition 8 and the Underlying Interest Rate Security Conditions shall be deemed to together constitute an Underlying Reference; and

"**Underlying Reference Level**" means, in respect of any Automatic Early Redemption Valuation Date, (i) "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms, published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked Certificates and ETI Linked Certificates, the price of the relevant Underlying Reference, (b) in the case of Index Linked Certificates and Custom Index Linked Certificates, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Certificates, the Relevant Price, or (d) in the case of Currency Linked Certificates, 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), or (e) in the case of an Inflation Index, the Relevant Level, or (f) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms and Multiple Underlying Interest Rate is specified as applicable, Multiple Underlying Reference Rate Value, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such Automatic Early Redemption Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Redemption Valuation Date as the "official close" level is published by the Observation Price Source.

"**Underlying Reference Level 1**" means, in respect of any AER 1 Redemption Valuation Date, (i) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked Certificates and ETI Linked Certificates, the price of the relevant AER Event 1 Underlying, (b) in the case of Index Linked Certificates and Custom Index Linked Certificates, the level of the relevant AER Event 1 Underlying, (c) in the case of Commodity Linked Certificates, the Relevant Price, (d) in the case of Currency Linked Certificates, 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), or (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 AER 1 Redemption Valuation Date or (ii) in the case of Debt Linked Certificates, the "last price" of the relevant AER Event 1 Underlying published by the Observation Price Source specified for such AER Event 1 Underlying; and

"**Underlying Reference Level 2**" means, in respect of any AER 2 Redemption Valuation Date, (i) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked Certificates and ETI Linked Certificates, the price of the relevant AER Event 2 Underlying, (b) in the case of Index Linked Certificates and Custom Index Linked Certificates, the level of the relevant AER Event 2 Underlying, (c) in the case of Commodity Linked Certificates, the Relevant Price, (d) in the case of Currency Linked Certificates, 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), or (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 AER 2 Redemption Valuation Date or (ii) in the case of Debt Linked Certificates, the "last price" of the relevant AER Event 1 Underlying published by the Observation Price Source specified for such AER Event 1 Underlying.

(C) Accrual

Notwithstanding Condition 4(f), if FI Underlying Automatic Early Redemption and Accrual to Automatic Early Redemption are specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs on an Automatic Early Redemption Valuation Date, interest will cease to accrue on such Automatic Early Redemption Valuation Date.

(D) AER Rate Determination

Where the applicable Final Terms specify that the AER Rate is determined by reference to a Screen Rate, the AER Rate 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 AER Reference Rate(s) which appears or appear, as the case may be, on the AER Screen Page (or such replacement page on that service which displays the information) as at the AER Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or 11.00 a.m. Brussels time, in the case of EURIBOR) on the AER Reference Rate Determination Date in question plus or minus (as indicated in the applicable Final Terms) the AER Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the AER 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 AER Screen Page is not available or if, in the case of subparagraph (i), no offered quotation appears or, in the case of subparagraph (ii), fewer than three offered quotations appear, in each case as at the AER 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 AER Reference Rate at approximately the AER Specified Time on the AER Reference Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the AER Rate 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 AER Margin (if any), all as determined by the Calculation Agent.

If on any AER Reference Rate 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 AER Rate 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 AER Specified Time on the relevant

AER Reference Rate Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the AER Reference Rate by leading banks in the inter-bank market applicable to the AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER 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 AER Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the AER Reference Rate, at which, at approximately the AER Specified Time on the relevant AER Reference Rate 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 AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER Margin (if any), provided that, if the AER Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Calculation Agent shall determine the AER Rate from such source(s) as it may select, acting in good fiath and in a commercially reasonable manner.

If the applicable Final Terms specifies a Minimum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is less than such Minimum AER Reference Rate, the AER Rate calculated using such Minimum AER Reference Rate.

If the applicable Final Terms specifies a Maximum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is greater than such Maximum AER Reference Rate, the AER Rate shall be such Maximum AER Reference Rate.

(t) *Condition to Final Payout Premium*

Where "Condition to Final Payout Payment" is specified as applicable in the applicable Final Terms, the obligation of the Issuer to pay a Final Payout Premium as part of the Final Redemption Amount will be subject to the receipt of an aggregate amount equal to the Final Payout Premium payable in respect of each Certificate outstanding on or prior to the Redemption Date from the Swap Counterparty under the Swap Agreement. In the event that the Swap Counterparty fails to pay an amount under the Swap Agreement or the Swap Agreement terminates for any reason other than as scheduled on its scheduled termination date or where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party, the Issuer will have no further obligation to pay an amount equal to the Final Payout Premium in respect of each Certificate (but without prejudice to the Issuer's obligations to pay an amount equal to the Scheduled Final Redemption Amount less the relevant Final Payout Premium in respect of each Certificate) and no Event of Default will occur in respect of such non-payment save where the termination of the Swap Agreement has resulted from an Event of Default thereunder where the Issuer is the Defaulting Party.

For the purposes of this Condition 8(t):

"**Final Payout Premium**" means, in respect of a Certificate, a *pro rata* share of an amount equal to the amount by which the Scheduled Final Redemption Amount is greater than the amount which the Issuer is scheduled to receive in respect of the Charged Assets other than the Swap Agreement on maturity or termination of such assets; and

"**Scheduled Final Redemption Amount**" means an amount equal to the scheduled Final Redemption Amount which would have been payable by the Issuer had the Swap Counterparty paid the amounts it was scheduled to pay under the Swap Agreement and/or the Swap Agreement had not terminated prior to the Redemption Date.

(u) *Dual Currency Redemption Certificates*

If the Certificates are specified in the applicable Final Terms as Dual Currency Redemption Certificates, any amount payable on the redemption of the Certificates 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 amounts payable on the redemption of the Certificates shall be deemed to include, as applicable:

(i) any additional amounts which be payable with respect to principal under Condition 10;

(ii) the Final Redemption Amount of the Certificates;

(iii) the Early Redemption Amount of the Certificates;

(iv) the Optional Redemption Amount(s) (if any) of the Certificates;

(v) the Instalment Amounts;

(vi) the Automatic Early Redemption Amount (if any) of the Certificates; and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Certificates.

9. Compartment Assets

(a) *Compartment Assets*

(i) In respect of any Series of Certificates, "**Compartment**" shall mean the compartment created by the Board of the Issuer pursuant to the Securitisation Act 2004 under which the Certificates are to be issued. Each Compartment will comprise a pool of Issuer assets and liabilities separate from the pools of Issuer assets and liabilities relating to any other Compartments. In respect of any Series of Certificates, such assets will consist of the Charged Assets (as defined in Condition 8(c) (*Compartment Security*) below), which Charged Assets may include, *inter alia*, the assets specified in the applicable Final Terms as "Compartment Assets" or "Reference Securities" or where such assets are converted into or exchanged for the new assets, such new assets or, in each case, any redemption or other proceeds received by the Issuer in respect thereof relating to such exchange or conversion (the "**Compartment Assets**" or "**Reference Securities**").

(ii) Subject to the Trust Deed (but without prejudice to the rights of the Issuer under Condition 8(n) (*Redemption Date Extension*)), in order to meet any part of its obligations under the Certificates in respect of (A) any redemption thereof, (B) any Related Agreements, (C) any agreements for the purchase of the Certificates or (D) any other payments (if any) due from the Issuer under these Conditions and/or the Trust Deed in relation to the Certificates), the Issuer may, at any time, procure the liquidation of some or all of the Compartment Assets.

(iii) In accordance with the Securitisation Act 2004, the Charged Assets are available exclusively to satisfy the rights of the Secured Parties (as defined in Condition 9(e) (*Application of Proceeds*)).

(iv) In connection with the issue of the Certificates there may be executed one or more interest rate and/or currency exchange agreements, credit default swap agreements, swap agreements exchanging payment flows on an asset, total return swap agreements, option agreements and/or other derivative transactions (each a "**Swap Agreement**") between the Issuer and one or more swap counterparties (each a "**Swap Counterparty**") and one or more deposit agreements (each a "**Deposit Agreement**") between the Issuer and one or more deposit counterparties (each a "**Deposit Counterparty**") and one or more repurchase agreements (each a "**Repurchase Agreement**") with BNP Paribas or any other entity as specified in the Final Terms (each a "**Repo Counterparty**" and, together with each Swap Counterparty and Deposit Counterparty, each a "**Counterparty**"). In addition, in connection with any issue of Certificates, the Issuer and the Swap Counterparty may enter into a credit support annex, credit support deed or pledge or such other security interest governed by the law of such other jurisdiction specified in the applicable Final Terms over collateral in favour of the Issuer in connection with any relevant Swap Agreement (a "**Credit Support Annex**", a "**Credit Support Deed**" and a "**Pledge**") respectively and, together with the Swap Agreement, the Deposit Agreement and the Repurchase Agreement, the "**Related Agreements**").

(v) Where no reference is made in the applicable Issue Deed to any Swap Agreement, Repurchase Agreement or Deposit Agreement, references in these Terms and Conditions to any such document or agreement and to any Swap Counterparty, Repo Counterparty or Counterparty, as the case may be, shall not be applicable.

(b) *Custodian; Custody Account; Account Bank; Compartment Account*

(i) Each Custody Account (as defined below), together with such Compartment Assets as are capable of being so held, will be held by the Custodian on behalf of the Issuer, and each Compartment Account (as defined below) will be held by the Account Bank, in each case on and subject to (A) the terms and conditions of the Agency Agreement, (B) the Securitisation Act 2004 and (C) in the cases of the Compartment Assets, the Custody Account and the Compartment Account, the terms and conditions of the Compartment Security created pursuant to the Trust Deed and/or any Additional Security Document. Unless otherwise specified in the applicable Final Terms, the Issuer reserves the right to replace the Custodian at any time, but only with the prior written consent of the Trustee and in accordance with (x) the provisions of the Securitisation Act 2004 and (y) the relevant CSSF instructions and/or guidelines. Notice of such change shall be given to the Certificateholders in accordance with Condition 19 (*Notices*). If it is specified in the applicable Final Terms that there is a Sub-Custodian in relation to the Compartment Assets, such Sub-Custodian (which expression shall include any additional or successor sub-custodians from time to time appointed) shall hold such Compartment Assets as are capable of being so held on behalf of the Custodian, on and subject to the terms of an agreement between the Sub-Custodian and the Custodian. References herein to the "**Custodian**" shall, as the context requires, be construed as references to the Custodian, the Sub-Custodian and/or any additional or successor custodians appointed from time to time.

(ii) If the Charged Assets of the Issuer in respect of a Compartment include Compartment Assets, in respect of such Compartment the Custodian (on behalf of the Issuer) shall establish and maintain an account in the name of the Issuer (the "**Custody Account**") with a bank or other financial institution (which shall be the Custodian unless an alternative financial institution specified in the applicable Final Terms). The Custody Account for the

Compartment shall be entirely separate from any other accounts of the Issuer and the Custodian, including, without limitation, the accounts established in connection with any other Compartment(s). Such Compartment Assets shall only be removed from the Custody Account at such times and in such amounts as are contemplated in these Terms and Conditions and the Trust Deed or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Certificates, Related Agreements and pursuant to the Trust Deed.

(iii) Where "Compartment Account" is specified as applicable in the applicable Final Terms, in respect of the relevant Compartment the Issuer shall establish and maintain an account in the name of the Issuer (the "**Compartment Account**") with a bank or other financial institution (which shall be the financial institution specified in the applicable Final Terms, unless no such financial institution is specified in which case it shall be the Account Bank). The Compartment Account for the Compartment shall be entirely separate from any other accounts of the Issuer and the Account Bank, including, without limitation, the accounts established in connection with any other Compartment(s). Amounts standing to the credit of the Compartment Account shall only be removed from the Compartment Account at such times and in such amounts as are contemplated in these Terms and Conditions and the Trust Deed or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Certificates or Related Agreements and pursuant to the Trust Deed.

(c) *Compartment Security*

(i) The Issuer has (as specified in the Trust Deed relating to the Certificates or in another relevant security document relating to the Certificates), assigned or created a first fixed charge, and/or other security interest, in each case in favour of the Trustee for itself and as trustee for the Secured Parties, over or in respect of:

(A) the present and future Compartment Assets relating to the relevant Compartment and all of the Issuer's rights, title, interest and benefit, present and future, in respect of sums derived from the present and future Compartment Assets relating to the relevant Compartment (including, without limitation, any proceeds of the sale thereof);

(B) (x) the Issuer's rights, title, interest and benefit, present and future, in, to and under all sums held by the Agents, the Account Bank (including sums standing to the credit of the Compartment Account) and the Custodian to meet payments due in respect of the Certificates relating to the relevant Compartment (the "**Cash Assets**"); (y) any sums of money, securities or other property received or receivable by the Issuer under any Related Agreement (including, without limitation, any Swap Agreement, any Deposit Agreement and any Repurchase Agreement) relating to the relevant Compartment; and (z) all of the Issuer's rights, title, interest and benefit, present and future, as against the Custodian in respect of any sum standing to the credit of the Custody Account (as defined in Condition 9(b) relating to the relevant Compartment); and

(C) the Issuer's rights, title, interest and benefit, present and future, in, to and under any Transaction Document (including without limitation any Swap Agreement, any Deposit Agreement and any Repurchase Agreement) and any agreement for the sale, transfer and/or delivery of assets relating to the relevant Compartment (as contemplated under Condition 9(a) and any sums received or receivable by the Issuer under any such agreement.

(ii) If it is stated in the applicable Final Terms that the security for the Certificates is "Charged Assets charged to Trustee; additional foreign law security", the Issuer has in the Trust

Deed created the security specified in sub-paragraph (i) above and has, in addition and without prejudice to the security specified as aforesaid, executed in favour of the Trustee the pledge or security or other agreement or document specified in the applicable Final Terms (each an "**Additional Security Document**").

(iii) The security described in sub-paragraph (i) and, as the case may be, sub-paragraph (ii) shall be referred to herein as the "**Compartment Security**" and the assets described in sub-paragraph (i) and, as the case may be, sub-paragraph (ii) shall be referred to herein as the "**Charged Assets**".

(d) *General provisions relating to security*

Unless otherwise specified in the applicable Final Terms, the Compartment Security constituted or created pursuant to the Trust Deed and any Additional Security Document will be granted to the Trustee for itself and for the other Secured Parties (as defined in Condition 9(e) as continuing security for (i) the payment of all sums due to the Trustee or any appointee or any receiver under the Trust Deed and/or any Additional Security Document or due under the Certificates, (ii) the performance of the Issuer's obligations under any Related Agreement (including any Swap Agreement) and (iii) the payment of all sums payable to the Agents pursuant to any provision of the Agency Agreement (including the provisions which require the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) to the Principal Warrant and Certificate Agent or the Registrar for any amount paid out by the Principal Warrant and Certificate Agent or the Registrar, as the case may be, to the Certificateholders before receipt of the corresponding amount due from the Issuer).

(e) *Application of Proceeds*

(i) The Trustee shall (subject to the provisions of the Trust Deed) apply all moneys received by it under the provisions of the Trust Deed and any Additional Security Document in connection with the realisation or enforcement as described in Condition 14 of the Compartment Security constituted by or pursuant to the Trust Deed and any Additional Security Document in accordance with the Order of Priority specified in the applicable Final Terms (such amounts being the "**Available Enforcement Proceeds**").

(ii) By subscribing to or otherwise acquiring the Certificates, each Certificateholder expressly consents to the provisions of this Condition 9(e), the order of priority specified in the applicable Final Terms (the "**Order of Priority**") and the limitation of its rights in accordance with article 64 of the Securitisation Act 2004 and is deemed to have accepted and agreed to such provisions and the consequences thereof. If no Order of Priority is specified in the applicable Final Terms, the Order of Priority shall be Swap Counterparty Priority as set out below.

(iii) If:

(A) "**Swap Counterparty Priority**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Certificates (including, but not limited to, any taxes

required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement relating to the Certificates. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment;

(5) fifthly, rateably in meeting the claims (if any) of the Certificateholders. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(6) sixthly, in payment of the balance (if any) to the Issuer;

(B) "**Pari Passu Ranking**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Certificates (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement and the Certificateholders. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(5) fifthly, in payment of the balance (if any) to the Issuer; and

(C) "**Certificateholder Priority**" is specified in the applicable Final Terms, Available Enforcement Proceeds shall be applied as follows:

(1) first, the proceeds of realisation of the securities held in the Compartment Account will be applied to the extent required to meet any termination payment due to the Repo Counterparty under the Repurchase Agreement (if any);

(2) secondly, in payment or satisfaction of the Trustee's remuneration and the fees, costs, charges, expenses and liabilities incurred by the Trustee

or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Certificates (including, but not limited to, any taxes required to be paid and the costs of realising any security and payment of any indemnity claims of the Trustee);

(3) thirdly, in payment or satisfaction of each of the Agents' fees, costs, charges, expenses and liabilities incurred pursuant to the Agency Agreement;

(4) fourthly, rateably in meeting the claims (if any) of the Certificateholders. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment;

(5) fifthly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement. If the moneys received by the Trustee are not enough to pay such amounts in full, the Trustee shall apply them *pro rata* on the basis of the amount due to each party entitled to such payment; and

(6) sixthly, in payment of the balance (if any) to the Issuer.

"**Secured Parties**" means each of the Trustee, any receiver, the Certificateholders, the Swap Counterparty and the Agents (each, a "**Secured Party**").

(f) *Compartment Assets substitution by Swap Counterparty*

Where this Condition 9(f) is specified as being applicable in the Final Terms then the Compartment Assets may be substituted in whole or in part by the Swap Counterparty.

The Swap Counterparty may substitute the Compartment Assets for:

(i) either securities denominated in the currency specified in the Final Terms issued by the entity specified as the eligible collateral issuer (each, an "**Eligible Compartment Assets Issuer**") in the Final Terms ("**Eligible Compartment Assets Issuer Obligations**"); or

(ii) such other securities, obligations or an amount of cash in the currency in which the principal amount of the existing Compartment Assets is expressed to be payable where "**Alternative Substitution**" is specified in the Final Terms.

The new securities, obligations or cash to be substituted must be in a principal amount equal (or, if in another currency, the equivalent to the principal amount of the currency in which the Compartment Assets are expressed to be payable, as determined on the date of such substitution by the Swap Counterparty in good faith and in a commercially reasonable manner) to the then fair market value of the Certificates as determined by the Swap Counterparty (or, in the case of a substitution or redemption of part only of the Compartment Assets, of the relevant proportion thereof as at the date of such substitution).

The securities, obligations or cash which may be substituted for the Compartment Assets shall be delivered (or paid, in the case of cash) by the Swap Counterparty to the Custodian or such other relevant Counterparty.

By making any substitution pursuant to this Condition 9(f) the Swap Counterparty shall be deemed to agree with the Issuer and the Trustee that its obligations under the relevant Swap Agreement shall continue in full force and effect irrespective of such substitution and that no termination or adjustment to its obligations thereunder shall occur as a consequence of such substitution.

The Trustee shall, upon notice from the Swap Counterparty (upon which the Trustee may rely without further enquiry) that the conditions for substitution referred to in this Condition 9(f) are met, release the Compartment Assets to be substituted from the security created in respect of it under the Trust Deed. The Issuer, the Trustee and the Swap Counterparty will upon such substitution enter into such further documentation as may be required (if at all) by any applicable law and/or as may be required by the Trustee to give effect to the creation of security over any replacement securities, obligations or cash amounts in the manner set out in this Condition 9(f).

References in these Conditions and the Trust Deed to "**Compartment Assets**" shall be deemed to include any substituted Compartment Assets and references to "**Charged Assets**" shall be deemed to include any additional assets or rights charged or assigned in favour of the Trustee pursuant to such substitution.

Where "Substitution Notification" is specified in the applicable Final Terms, the Issuer shall give notice of any substitution to Certificateholders under this Condition 9(f) in accordance with Condition 19 (*Notices*) and, in relation to any Certificates listed on the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange (or if listed on another stock exchange to such other stock exchange) and will, if required by the rules of the Luxembourg Stock Exchange (or of such other stock exchange), prepare a supplement to any applicable prospectus or such other documents as may be required.

If this Condition 9(f) is applicable, the Trustee and any Certificateholders may at any time require the Issuer to notify them of the composition of the Compartment Assets at such time.

The Swap Counterparty may substitute the Compartment Assets in accordance with this Condition 9(f) without regard to the projected market value of substitute securities or obligations. There is no guarantee that the value of such Compartment Assets in the event of termination of the relevant Swap Agreement, taking into account any termination payment due under such Swap Agreement to or from the Swap Counterparty, will equal or exceed the Cash Settlement Amount (if any) for each Certificate.

(g) *Compartment Assets substitution under a Credit Support Annex, Credit Support Deed or Pledge*

Where the Issuer and the Swap Counterparty have entered into a Credit Support Annex in respect of any Swap Agreement, then the Compartment Assets may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the Credit Support Annex.

The securities, obligations or cash which may be substituted for the Compartment Assets shall be delivered (or paid, in the case of cash) by the Swap Counterparty to the Custodian (or, where an alternative bank or institution is specified as custodian for the Collateral in the applicable Final Terms, to such entity).

By making any substitution pursuant to this Condition 9(g), the Swap Counterparty shall be deemed to agree with the Issuer and the Trustee that its obligations under the relevant Swap Agreement shall continue in full force and effect irrespective of such substitution and that no termination or adjustment to its obligations thereunder shall occur as a consequence of such substitution.

In the case of Compartment Assets substitution under a Credit Support Annex, the Trustee shall, upon notice from the Swap Counterparty (upon which the Trustee may rely without further enquiry) that the conditions for substitution referred to in this Condition 9(g) are met, release the Compartment Assets to be substituted from the security created in respect of it under the Trust Deed. The Issuer, the Trustee and the Swap Counterparty will upon such substitution enter into such further documentation as may be required (if at all) by any applicable law and/or as may be required by the Trustee to give effect to the creation of security over any replacement securities, obligations or cash amounts in the manner set out in this Condition 9(g).

After any substitution, references in these Conditions and the Trust Deed to "**Compartment Assets**" shall be deemed to include any Compartment Assets substituted and references to "**Charged Assets**" shall be deemed to include any additional assets or rights charged or assigned in favour of the Trustee pursuant to such substitution.

Where substitution of the Compartment Assets takes place in accordance with the terms of any credit support annex, the Issuer shall not be obliged to give notice of any substitution to Certificateholders under this Condition 9(g).

If this Condition 9(g) is applicable, the Trustee may at any time require the Issuer to notify it of the composition of the Compartment Assets at such time.

Where the Issuer and the Swap Counterparty have entered into a Credit Support Deed in respect of any Swap Agreement, the collateral secured under the relevant Credit Support Deed may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the relevant Credit Support Deed.

Where the Issuer and the Swap Counterparty have entered into a Pledge in respect of any Swap Agreement, the assets that are subject to the relevant Pledge may be substituted in whole or in part by the Swap Counterparty in accordance with the terms of the relevant Pledge.

The Swap Counterparty may substitute the Compartment Assets in accordance with this Condition 9(g) without regard to the projected market value of substitute securities or obligations. There is no guarantee that the value of such Compartment Assets in the event of termination of the relevant Swap Agreement, taking into account any termination payment due under such Swap Agreement to or from the Swap Counterparty, will equal or exceed the Cash Settlement Amount (if any) for each Certificate.

(h) *Swap Counterparty optional termination*

Where this Condition 9(h) is specified as being applicable in the Final Terms, the Swap Counterparty may (unless it is the Defaulting Party under, and as defined in, the relevant Swap Agreement) opt to terminate a Swap Agreement in whole or in part in accordance with either or both of the methods set out below (as specified in the Final Terms).

(i) *Redemption following Swap Counterparty optional termination*

Where "**Swap Counterparty optional termination - Call option**" is specified as being applicable in the Final Terms, the following will apply:

The Swap Counterparty may opt to terminate a Swap Agreement in whole or in part on either on any date specified as being applicable in the Final Terms upon the number of Business Days' notice specified as being applicable in the Final Terms.

Such optional termination will lead to early redemption in whole or in part, as the case may be, of the Certificates in the manner set out in this Condition 9(h).

(ii) *Repurchase:*

Where this Condition 9(h)(ii) is specified as being applicable in the Final Terms, the Swap Counterparty may opt to terminate a Swap Agreement upon service of written notice on the Issuer with a copy to the Trustee, in whole or in part and without payment by either party, if any of the Certificates to which that transaction relates are purchased by or on behalf of the Swap Counterparty or any of its subsidiaries or affiliates ("**Purchased Certificates**"). Where such option is exercised, such Swap Agreement will terminate *pro rata* in the proportion (the "**Proportion**") that the aggregate notional amount of the Purchased Certificates bears to the aggregate notional amount of the Certificates

remaining outstanding (or, where applicable, unexercised) immediately prior to the purchase of the Purchased Certificates by the Swap Counterparty or any of its subsidiaries or affiliates. Upon service of such notice, the Swap Counterparty will be either (A) authorised by the Issuer to take delivery of and/or deliver and/or realise on the Issuer's behalf the Proportion of the Charged Assets (if any) charged to or otherwise secured in favour of the Trustee under the Trust Deed or (B) entitled to payment of an amount equal to the Proportion of the Charged Assets where the Charged Assets is constituted by cash ("**Realised Collateral**"). The Realised Collateral will be payable or deliverable, as the case may be, by the Issuer to or to the order of the Swap Counterparty, in the contractual currency paid by the Issuer under the relevant Swap Agreement (where the Realised Collateral is not being delivered). Upon receipt of the Realised Collateral, the Swap Counterparty will deliver to the Principal Warrant and Certificate Agent the Purchased Certificates for cancellation. In such circumstances:

(1) the Issuer will be deemed to have consented to the Trustee releasing the Realised Collateral to the Swap Counterparty upon termination of the relevant Swap Agreement in the manner described in this Condition 9(h);

(2) where relevant, the Swap Counterparty, on behalf of the Issuer, will be deemed to be authorised by the Issuer to realise the Proportion of the Charged Assets; and

(3) the Trustee will, unless an Event of Default or a Potential Event of Default has occurred, be deemed to release the Realised Collateral from the security created in respect of it under the Trust Deed.

(i) *Residual Shortfall*

In the case of Certificates (but without prejudice to the rights of a holder of Guaranteed Certificates under the Guarantee (if applicable)), if the net proceeds of the realisation or enforcement of the Charged Assets created pursuant to the Trust Deed and/or any Additional Security Document in respect of the Charged Assets following payment of all prior ranking amounts (the "**Net Proceeds**") are not sufficient to make all payments due in respect of such Certificates, then:

(i) the obligations of the Issuer in respect of such Certificates will be limited to such Net Proceeds and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall have any claim in respect of any asset of the Issuer not forming part of the Charged Assets; and

(ii) the Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any Certificateholder's right to receive any further sums in respect of any Residual Shortfall shall be extinguished in full, and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall be entitled to take any further steps against the Issuer or the Trustee to recover any such Residual Shortfall.

No Secured Party nor any party to the Trust Deed shall be entitled to petition or take any other step for the winding-up of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*insolvabilité liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of an examiner in respect of the Issuer (including, without limitation, the appointment of any receiver (*curateur*) (except any receiver appointed by the Trustee pursuant to the Trust Deed), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur),* deputy judge (*juge délégué)* or reporting judge *(juge commissaire*)). Failure by the Issuer to make any payment in respect of any Residual Shortfall shall in no circumstances constitute an Event of Default under Condition 12.

In this Condition, "**Residual Shortfall**" means the difference, if any, between the Net Proceeds and the aggregate amount which would have been due under the Certificates but for the operation of this Condition 9(i).

(j) *Issuer's rights as holder of Compartment Assets*

The Issuer may exercise any rights in its capacity as holder of the Compartment Assets (including, without limitation, a right to vote or any analogous right howsoever described) only with the consent of the Trustee (or as directed in writing by the respective holders of at least 25 per cent. (by number) of the Certificates then outstanding or as directed by an Extraordinary Resolution of the Certificateholders) and (except in relation to the Swap Agreement) the Swap Counterparty and, if such direction is given, the Issuer will act in accordance with such directions, unless such instructions are in the reasonable opinion of the Issuer contrary to applicable laws, regulations and/or circular letters issued by the Issuer's supervisory authority or materially detrimental to the interests of the Issuer. In particular, the Issuer will not attend or vote at any meeting of holders of the Compartment Assets, or give any consent or notification or make any declaration in relation to the Compartment Assets, save with the consent of the Trustee (or as directed in writing by the respective holders of at least 25 per cent. (by number) of Certificates then outstanding or as directed by an Extraordinary Resolution of each of the Certificateholders) and the Swap Counterparty. In the event of a conflict between the instructions of the Trustee (or the Certificateholders) and the Swap Counterparty, the instructions of the Instructing Party will prevail.

In these Conditions "**Instructing Party**" means if "Swap Counterparty Priority" applies the Swap Counterparty (except in relation to the Swap Agreement, or where it is the Defaulting Party under, and as defined in, the relevant Swap Agreement, in which case the Instructing Party will be the Certificateholders) and if either "Certificateholder Priority" or "Pari-Passu Ranking" applies, the Certificateholders.

(k) *Swap termination*

Notwithstanding the terms of Condition 9(j) (*Issuer's rights as holder of Compartment Assets*), where "**Swap Termination Without Redemption**" is specified as applicable in the applicable Final Terms and where an Event of Default (as defined in the Swap Agreement) occurs under the Swap Agreement in circumstances where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement), following notification of such Event of Default by the Issuer to the Trustee (a "**Swap Default**"), the Trustee shall promptly, and in any event not later than five Business Days after such notification, instruct the Issuer to deliver, in respect of the Swap Agreement (where such agreement is constituted by a 2002 Master Agreement published by the International Swaps and Derivatives Association, Inc. (the "**Master Agreement**") and schedule thereto and any confirmations thereunder), a notice under Section 6(a) of the Master Agreement designating an Early Termination Date (as defined in the Swap Agreement). In such circumstances, the Issuer (with the consent of the Trustee) may appoint an agent (a "**Termination Agent**") to assist it in terminating the Swap Agreement and making any calculations necessary in connection with such termination. A *pro rata* share of the amount, if any and subject to a minimum of zero, equal to (i) the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement (2) any interest which has accrued on the amount received by the Issuer (which may be a positive or negative amount) and (3) the Unused Charged Assets Proceeds less (ii) the costs and expenses of the Trustee and any costs and expenses of the Termination Agent incurred in connection with the termination of the Swap Agreement shall be paid by the Issuer to the Certificateholders on a *pro rata* and *pari passu* basis on the Redemption Date. If the Issuer does not receive the Early Termination Amount on or prior to the Redemption Date, Condition 8(n) will apply. For the purposes of this Condition 9(k), "**Unused Charged Assets Proceeds**" means any amounts received by the Issuer from the Charged Assets other than the Swap Agreement which have not been used on or prior to the Redemption

Date to pay interest and/or premium and redemption amounts otherwise payable in respect of the Certificates, amounts due to the Swap Counterparty under the Swap Agreement (including in respect of any Early Termination Amount due to the Swap Counterparty) and/or any fees, costs or expenses due to the Trustee and/or any of the Agents.

10. Expenses and Taxation

All payments in respect of the Certificates or under the 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 authority, unless such withholding or deduction is required by law, including, without limitation, 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, official interpretations thereof, or any law implementing an intergovernmental approach thereto, in which case the Issuer or, as the case may be, the Guarantor shall make all payments net of such withholding or deduction. Such withholding or deduction shall not constitute an Event of Default under Condition 12.

In respect of Exercisable Certificates only, 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 of such Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Certificates ("**Exercise Expenses**") relating to such Certificates shall be for the account of the Certificateholder. The Issuer shall deduct from amounts payable or from assets deliverable to Certificateholders all Related Expenses, not previously deducted from amounts paid or assets delivered to Certificateholders, as the Calculation Agent shall in good faith and in a commercially reasonable manner determine are attributable to the Certificates. Such deduction by the Issuer shall not constitute an Event of Default under Condition 12.

For the avoidance of doubt, neither the Issuer, the Trustee nor the Guarantor (if applicable) shall be liable for any Related Expenses and Certificateholders shall be liable to pay the Related Expenses attributable to their Certificates.

"**Expenses**" means Exercise 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:

(i) the issue, transfer or enforcement of the Certificates;

(ii) any payment (or delivery of assets) to Certificateholders;

(iii) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (has such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in good faith and in a commercially reasonable manner, may determine to be appropriate as a hedge or related trading position in connection with the Certificates; or

(iv) any of the Swap Counterparty's or any Affiliate of the Swap Counterparty other hedging arrangements in connection with the Certificates.

"**Relevant Date**" in respect of any Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of materialised Certificates (if earlier) the date seven days after that on which notice is duly given to the Certificateholders that, upon further presentation of the Certificate, being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**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 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.

11. Prescription

Claims against the Issuer or the Guarantor (if applicable) for payment of Cash Settlement Amounts, interest and/or Premium Amount in respect of the Certificates shall become void unless made within 5 years after the Relevant Date (as defined in Condition 10) and no claims shall be made after such date.

12. Events of Default

(a) The Trustee at its discretion may (subject as provided in sub-paragraph (b) below), and if so requested in writing by the holders of at least 25 per cent. (by number) of the Certificates of any Series then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall, subject in each case to being indemnified and/or secured to its satisfaction, give notice to the Issuer and the Guarantor (if applicable) that the Certificateholders are, and they shall accordingly forthwith become, (unless otherwise specified in the Final Terms) entitled to the Liquidation Proceeds (such occurrence, a "**Certificate Acceleration**") upon the occurrence of any of the following events (each an "**Event of Default**"):

(i) a default is made for a period of 30 days or more in the payment of any sum due or the delivery of the Entitlement deliverable in respect of the Certificates; or

(ii) the Issuer fails to perform or observe any of its other obligations under the Certificates or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 45 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

(iii) any order is made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*insolvabilité, liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of a receiver of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), deputy judge (*juge délégué)* or reporting judge *(juge commissaire*)) save for

the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Certificateholders; or

(iv) in the case of Guaranteed Certificates, the Guarantee ceases to be in full force and effect in respect of the Certificates or notice is given by the Guarantor which would cause the Guarantee to cease to be in full force and effect in respect of such Certificates or is rendered void for any cause or by any means whatsoever or any legislation is introduced the result of which would be to remove the benefit of the Guarantee from the Certificates or terminate or amend the same in a manner (in the opinion of the Trustee) materially adverse to the interests of the Certificateholders, or the Guarantor is unable to perform its obligations thereunder for any reason.

(b) The Trust Deed provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default has occurred or is continuing.

13. Definitions

In these Conditions:

"**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.

"**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 specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, 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 Specified Currency (any such centre, an "**Additional Business Centre**" and which, if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day (a "**TARGET Settlement Day**") on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ("**TARGET2**") payment system which utilises a single platform and which was launched on 19 November 2007 (or, if such system ceases to be operative, such system (if any) determined by the Calculation Agent to be a suitable replacement) (the "**TARGET System**") is open.

"**fair market value**" means the fair market value as determined by the Calculation Agent (unless otherwise specified).

"**Local Time**" means local time in the city of the relevant Clearing System.

"**Relevant Asset**" means the Relevant Asset specified in the applicable Final Terms.

"**Relevant Jurisdiction**" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the Fund or the Fund Units or the Debt Securities are issued (or in which the issuer of such Shares or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms.

14. Enforcement and Realisation

Upon the occurrence of a Certificate Acceleration under Condition 12, the Compartment Security constituted by or created pursuant to the Trust Deed and any Additional Security Document relating to a Series of Certificates and the Compartment to which such Series relates, shall become enforceable. The Trustee may enforce the Compartment Security at any time after it has become enforceable but is only obliged to enforce the Compartment Security if directed to do so by (a) (where the Instructing Party is the Certificateholder) either a direction in writing by Certificateholders of at least 25 per cent. (by number) of the relevant Series of Certificates then outstanding or by an Extraordinary Resolution of the Certificateholders; or (b) (where the Instructing Party is the Swap Counterparty) a written direction of the Swap Counterparty. The Trustee or any appointee or receiver appointed thereby may enforce the security by one or more of the following:

(i) endeavouring to sell or otherwise realise the Charged Assets (including, without limitation, by terminating, closing out or enforcing any Related Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Charged Assets) in accordance with the provisions of the Trust Deed; and/or

(ii) otherwise enforcing the Compartment Security constituted by or pursuant to the Trust Deed and/or any Additional Security Document, in each case, without any liability as to the consequences of any such action and without having regard to the effect of any such action on individual Certificateholders,

provided that the Trustee shall not be required to take any such action without first being indemnified and/or secured to its satisfaction or to do anything which is or may be contrary to any applicable law or regulation.

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Parties.

15. Meetings of the Certificateholders; Modifications; Waiver; Trustee Determination; Substitution; Entitlement of the Trustee

(a) *Meetings of the Certificateholders*

The Trust Deed contains provisions for convening meetings of Certificateholders of each Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Certificates (including these Conditions or the provisions of the Master Trust Terms and the relevant Issue Deed insofar as the same may apply to such Certificates). The quorum at a meeting of the Certificateholders (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 the Certificates for the time being outstanding, or at any adjourned meeting two or more persons being or representing Certificateholders whatever the number of Certificates so held or represented. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Certificates for the time being outstanding or, at any adjourned such meeting, two or more person holding or representing not less than 10 per cent. (by number) of the Certificates for the time being outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by the Certificateholders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Certificateholders, whether present or not, except that any Extraordinary Resolution proposed to address a Reserved Matter (as defined in the Trust Deed), including (i) to amend the dates redemption of the Certificates, any Instalment Date or any date for payment of interest thereof, (ii) to change the notional amount or any Instalment Amount of, or any premium payable on redemption of, the Certificates, (iii) to change the rate or rates of interest in respect of

the Certificates or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Final or Early Redemption Amount is shown in the applicable Final Terms, to change any such Minimum and/or Maximum Interest Rate, Instalment Amount, Cash Settlement Amount or Early Redemption Amount, (v) to change any method of calculating the Final or Early Redemption Amount, (vi) to change the currency or currencies of payment or denomination of the Certificates, (vii) to direct the Trustee to take any steps as specified in the Trust Deed and/or Condition 12 (*Events of Default*), (viii) to modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution or (ix) to modify the definition of Reserved Matter in the Trust Deed, will only be binding if passed at a meeting of the Certificateholders, the quorum at which shall be persons holding or representing not less than 75 per cent. (by number) of the Certificates for the time being outstanding or, at any adjourned meeting, not less than 25 per cent. (by number) of the Certificates for the time being outstanding.

The holder of a Global Certificate representing all (or part) of the Certificates for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 90 per cent. (including in the case of a resolution proposed to address a Reserved Matter (as defined in the Trust Deed)) (by number) of the Certificates of such Series for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of the Certificateholders.

The provisions of articles 86 to 97 of the Luxembourg Act dated 10th August, 1915 on commercial companies, as amended, shall not apply to the Certificates.

(b) *Modification*

The Trustee may, in respect of each Series, without the consent of the Certificateholders, agree to (i) any modification to any Transaction Document or any other agreement to which the Issuer is a party which is of a formal, minor or technical nature or is made to correct a manifest error; (ii) any modification of any of the provisions of the Trust Deed or any other Transaction Document (other than in respect of a Reserved Matter) which in the opinion of the Trustee is not materially prejudicial to the interests of the Certificateholders; and (iii) any modification of the provisions of the Trust Deed or any other Transaction Document (other than in respect of a Reserved Matter) which is made to satisfy any requirement of any stock exchange on which the Certificates are or are proposed to be listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the interests of the Certificateholders.

Notice of such modification shall be notified by the Issuer to the Certificateholders as soon as practicable thereafter in accordance with Condition 19 unless the Trustee agrees otherwise.

(c) *Waiver*

The Trustee may, in respect of any Series, without the consent of the Certificateholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Certificateholders shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer or (if applicable) the Guarantor of any of the covenants or provisions in the Trust Deed or the Conditions or determine that any Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee shall not exercise any powers conferred on it by this Condition 15(c) in respect of any Reserved Matter or in contravention of any express direction given by an Extraordinary Resolution of the Certificateholders, but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Certificateholders of such Series.

Notice of any such waiver, authorisation or determination shall be notified by the Issuer to the Certificateholders as soon as practicable thereafter in accordance with Condition 19 unless the Trustee agrees otherwise.

(d) *Trustee determination*

If, in the opinion of the Trustee, any modification, waiver, authorisation or determination referred to in paragraphs (b)(ii) or (iii) and (c) of this Condition 15 affects the interests of the holders of any Series of Certificates, the Trustee shall agree to such modification, waiver, authorisation or determination only if either (i) it is satisfied that, in its opinion, the interests of the holders of the relevant Series of Certificates will not be materially prejudiced thereby or (ii) the holders of the relevant Series of Certificates sanction such modification, waiver, authorisation or determination by way of Extraordinary Resolution, each of (i) and (ii) in accordance with the Conditions of the relevant Series of Certificates.

(e) *Substitution*

The Trust Deed contains provisions permitting the Trustee, subject to the further conditions set out in the Trust Deed and such amendment of the Trust Deed and other conditions as the Trustee may require, but without the consent of the holders of the relevant Series of Certificates, to agree with the Issuer and the Guarantor (if applicable) to the substitution, in respect of any Series of Certificates, in place of the Issuer (or of the previous substitute), as the principal debtor under the Certificates of such Series, or, when applicable, the Guarantor, as guarantor of the payment obligations of the Issuer under the relevant Series of Certificates, of any other company (such substituted company being hereinafter called the "**Substitute Company**").

Not later than 14 days after the execution of such amendment and compliance with such conditions as aforesaid, the Substitute Company shall give notice thereof in a form previously approved by the Trustee to the relevant Certificateholders in the manner provided in accordance with Condition 19.

(f) *Entitlement of the Trustee*

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

16. Replacement of Certificates

Should any Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Warrant and Certificate Agent (in the case of Clearing System Certificates) or the Registrar (in the case of Registered Certificates), subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer or (if applicable) the Guarantor may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17. Further Certificates

The Issuer may from time to time without the consent of the Certificateholders (but provided that the Trustee is satisfied that the restrictions set out in this Condition 17 will be complied with), create and issue further Certificates ("**Further Certificates**") having the same terms and conditions as the Certificates in all respects (or in all respects except for the Issue Date, first payment of interest (if applicable) and issue price) and so that the same shall be consolidated and form a single

series with such Certificates provided that (unless otherwise approved by an Extraordinary Resolution of the Certificateholders):

(a) The Issuer provides additional security for such Further Certificates that comprises assets that are fungible with, and have the same proportionate composition as, the Charged Assets in respect of the relevant existing Certificates and that has an aggregate principal amount at least equal to the product of (i) the principal amount of such existing security and (ii) a fraction, the numerator of which is the number of the Further Certificates and the denominator is the number of the existing Certificates; and

(b) The Issuer enters into an additional and/or supplemental agreement varying the terms of the relevant Swap Agreement, Repurchase Agreement or Deposit Agreement, as applicable, to take account of the Further Certificates on terms no less favourable than those of the Swap Agreement, Repurchase Agreement or Deposit Agreement, as applicable.

Any Further Certificates shall be constituted and secured by a supplemental trust deed and the Certificates and the Further Certificates shall be secured by the same Charged Assets. References in these Conditions to "**Certificates**" and "**Charged Assets**" shall be construed accordingly.

18. Removal, Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the appointment, retirement and removal of the Trustee. The Issuer shall as soon as practicable after the appointment of a new trustee notify the Certificateholders of such appointment in accordance with Condition 19.

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Compartment Assets or for the value, validity, sufficiency and enforceability (which the Trustee has not investigated) of the Compartment Security created over the Charged Assets. The Trustee is not obliged to take any action under the Trust Deed, the Certificates or otherwise unless indemnified and/or secured to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, the Guarantor, any issuer or guarantor (where applicable) of any of the Charged Assets any party other than the Issuer under a Related Agreement (including, without limitation, the Swap Counterparty), or any of their subsidiary, holding or associated companies without accounting to the Certificateholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value (as appropriate) of the Charged Assets from any obligation to insure or to procure the insuring of the Charged Assets (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Charged Assets are held in an account with a clearing agent in accordance with that relevant clearing agent's rules or otherwise held in safe custody by the Custodian or any custodian whether or not selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by (i) the Issuer of its own obligations and (ii) any other person of their obligations to the Issuer.

For the purposes of this Condition 18, each of the Issuer and, as the case may be, the Guarantor expressly accepts and confirms, for the purposes of articles 1278 and 1281 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under and made in accordance with the provisions of the Trust Deed or any agreement referred to therein to which the Issuer and, as the case may be, the Guarantor are party, any security created or guarantee given under the Trust Deed shall be reserved for the benefit of the new trustee (for itself and for the benefit of each other Secured Party).

19. Notices

All notices regarding the Certificates shall be valid if: (a) in the case of Certificates represented by a Global Certificate, delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the Certificateholders; (b) so long as any Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of such stock exchange or relevant authority so require, in accordance with such rules; or (c) in the case of Registered Certificates if sent by first class mail to the Certificateholders (or the first named of joint Certificateholders) at their respective addresses recorded in the Register. If and for so long as the Certificates are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, and so long as the Luxembourg Stock Exchange so require, notices shall be made available on the Luxembourg Stock Exchange's website, www.bourse.lu. Any such notice shall be deemed to have been given on the Business Day on which such delivery takes place or, if earlier, the date of such publication, or, if published more than once, on the date of the first such publication.

If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Whilst any of the Certificates are represented by a Global Certificate, such notice may be given by any Certificateholder to the Principal Warrant and Certificate Agent or the Registrar (as applicable) via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Warrant and Certificate Agent or the Registrar (as applicable) and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

20. Adjustments for European Monetary Union

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Certificateholders or the Trustee, on giving notice to the Certificateholders in accordance with Condition 19 (*Notices*):

(a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Certificates shall be redenominated in euro.

The election will have effect as follows:

(i) where the Settlement Currency of the Certificates 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 Calculation Agent may decide, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Certificates will be made solely in euro as though references in the Certificates to the Settlement Currency were to euro;

(ii) where the Exchange Rate and/or any other terms of these 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 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 Conditions as the Calculation Agent may decide 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 any other terms of these Conditions and/or the applicable Final Terms as the

Calculation Agent, in good faith and in a commercially reasonable manner, 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 such other terms of these Conditions.

Notwithstanding the foregoing, none of the Issuer, the Guarantor (if any), the Calculation Agent, the Principal Warrant and Certificate Agent and the Trustee shall be liable to any Certificateholder 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 these Conditions, the following expressions have the following meanings:

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Certificateholders 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;

"**Settlement Currency**" shall be the currency specified as such in the applicable Final Terms; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

21. Contracts (Rights of Third Parties) Act 1999

The Certificates shall not confer on a third party any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Certificates, but this does not affect any right or remedy of a third party which may exist or is available apart from that Act.

22. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Master Trust Terms and the Issue Deed (save to the extent that the Master Trust Terms and/or the Issue Deed relates to security interests created over assets located or deemed to be located in Luxembourg) and the Certificates (and any non-contractual obligations arising out of or in connection with such documents) are (or, as the case may be, shall be) governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees, for the exclusive benefit of the Certificateholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Certificates (including a dispute relating to non-contractual obligations arising out of such Certificates) and accordingly any suit, action or proceedings arising out of or in connection with the Certificates may be brought in such courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Certificateholder may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Certificates (including Proceedings relating to any non-contractual obligations arising out of or in

connection with such Certificates) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

The Issuer appoints BNP Paribas, London Branch, of 10 Harewood Avenue, London NW1 6AA (Attention: the Loan Administration Department), as its agent for service of process, and undertakes that, in the event of BNP Paribas, London Branch ceasing so to act or ceasing to be registered in England, it will appoint, subject to the prior written approval of the Trustee, another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

The Issuer has in the Trust Deed submitted to the jurisdiction of the English courts and has appointed an agent for service of process in terms substantially similar to those set out above.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

*The first two sections of this Annex set out worked examples (the "**Worked Examples**") of two payouts and are included for illustrative purposes to aid investors' review of this Base Prospectus and this Annex 1 in particular. The terms and conditions that follow (the "**Payout Conditions**"), subject to completion in the applicable Final Terms, relate to the payouts in respect of the Securities. The Payout Conditions do not include the Worked Examples.*

*Certain sections of the Payout Conditions will be set out and completed in the applicable Final Terms. In the event of any inconsistency between the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above), the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above) and the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above) (together the "**Conditions**"), as applicable, and the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Payout Conditions and (ii) the applicable Final Terms, the Final Terms shall prevail. The descriptions of the payouts, coupons or premium amounts and rates and entitlement amounts and/or related provisions included in italic font below do not form part of the Payout Conditions, are included in this Annex 1 for information purposes only and are subject to the detailed terms of the relevant payout, coupons or premium amount rate or amount or entitlement amount, as applicable.*

Worked example one

The paragraphs below summarise the manner in which the Redemption Amount will be calculated in respect of a Certificate where the applicable payout is described as "Vanilla Call Securities" and the related definitions used to determine such Redemption Amount. For illustration purposes, variable amounts used to determine the Redemption Amount (such as the "Gearing") have been assigned specific values in this example but these amounts may differ in the context of a particular Series of Securities. Prospective investors should read and understand this Base Prospectus and the applicable Final Terms before investing in any Securities.

Strike Date	June 25th, 2013, provided that if such date is not a Scheduled Custom Index Business Day, the next date which is a Scheduled Custom Index Business Day
Issue Date	July 1st ,2013
Redemption Valuation Date	June 25th, 2018,
Redemption Date	July 2nd ,2018
Underlying Index[93]	S&P 500 (Bloomberg: SPX Index) (the "Index")

[93] Defined in the section « 28. Index Linked Certificates:» of the Final Terms.

Final Redemption[94]

On the Redemption Date, the Issuer shall redeem each Certificate at the following Cash Settlement Amount:

ConstantPercentage1 FloorPercentage StrikePercentage

$$N \times \left[100\% + 80\% * \max\left(0\%, \frac{Index_{Final}}{Index_{Initial}} - 100\% \right) \right]$$

Gearing

FinalRedemptionValue

Where

N is the notional amount of each Certificate.

$Index_{Initial}$ is the official closing level of the Index on the Strike Date.

$Index_{Final}$ is the official closing level of the Index on the Redemption Valuation Date.

ConstantPercentage1, **Gearing**, **FinalRedemptionValue**, **FloorPercentage**, **StrikePercentage** will be specified in paragraph 16 of the applicable Final Terms.

SPS Final Payouts

The following final payouts which when multiplied by the applicable NA (each a "**Final Payout**") will apply to the Securities if specified in the applicable Final Terms:

Vanilla Call Securities

If the Securities are specified in the applicable Final Terms as being Vanilla Call Securities:

ConstantPercentage1 + Gearing*Max(FinalRedemptionValue-StrikePercentage,FloorPercentage)

Description of Payout

The Payout comprises:

if Gearing is positive, a fixed percentage equal to Constant Percentage 1 or, if Gearing is negative, no fixed percentage; and

indexation to the value of the Underlying Reference(s) above the Strike Percentage.

Final Payout: **NA x SPS Payout**

SPS Payout **Vanilla Call Securities:**

ConstantPercentage1 + Gearing * Max (FinalRedemptionValue-StrikePercentage; FloorPercentage)

[94] Defined in the section « 16. Final Redemption Amount » of the Final Terms.

WITH:

ConstantPercentage1*:* 100%

Gearing: 80%

StrikePercentage: 100%

FloorPercentage: 0 %

FinalRedemptionValue: Underlying Reference Value

Underlying Reference Value : means, in respect of an Underlying Reference and a SPS Valuation Date, (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such SPS Valuation Date (ii) divided by the relevant Underlying Reference Strike Price ;

Underlying Reference Closing Price Value means, in respect of a SPS Valuation Date, the Closing Level;

Underlying Reference: as set in paragraph Index Securities

Strike Price Closing Value: Applicable;

Underlying Reference Strike Price means the Underlying Reference Closing Price Value on the Strike Date

SPS Valuation Date means the Redemption Valuation Date

Worked example two

The paragraphs below summarise the manner in which the Redemption Amount will be calculated in respect of a Certificate where the applicable payout is described as "Autocall Standard Securities" and the related definitions used to determine such Redemption Amount. For illustration purposes, variable amounts used to determine the Redemption Amount have been assigned specific values in this example but these amounts may differ in the context of a particular Series of Securities. Prospective investors should read and understand this Base Prospectus and the applicable Final Terms before investing in any Securities.

Underlying Shares[95]

i	Name of Underlying Share^{i}	Bloomberg Code	Share$^{i}_{Initial}$	Knock-in Price^{i} (70%* Share$^{i}_{Initial}$)
1	Share 1	Bloomberg Code 1	706.15	494.31
2	Share 2	Bloomberg Code 2	32.60	22.82
3	Share 3	Bloomberg Code 3	259.14	181.40

Automatic Early Redemption[96]

Automatic Early Redemption Event Redemption[2] *means that the Worst Value is greater than or Equal to the Automatic Early Redemption Level 100%*

If, on the Automatic Early Redemption Valuation Date, the official Closing Price of each Underlying Share is greater than or equal to its **Automatic Early Redemption Level**, then the Issuer shall redeem each Certificate on the relevant **Automatic Early Redemption Date** at the Automatic Early Redemption Amount calculated as follows:

AER Exit Rate[2]

NA x [**100%** + **10.00%**] — *Automatic Early Redemption Payout*[2]

AER Redemption Percentage[2]

Automatic Early Redemption Valuation Date	Automatic Early Redemption Date
December 07th, 2013	December 21st, 2013

Automatic Early Redemption Level

100% x Share$^{i}_{Initial}$ with i from 1 to 3 ← *Automatic Early Redemption Level*[2]

Final Redemption[97]

Final Redemption Condition[3] *means that the Worst Value is greater than or Equal to the Final Redemption Condition Level of 100%*

On the **Redemption Date**, if the Certificates have not been redeemed or purchased and cancelled by the Issuer prior to 07th March 2014, (the "Redemption Valuation Date"), the Issuer shall redeem each Certificate at the following Cash Settlement Amount:

1) If **all Share$^{i}_{Final}$ with i from 1 to 3** are greater than or equal to **Share$^{i}_{initial}$**

NA x [100% + 30%]

FR Exit Rate[3]

2) Otherwise, if no **Knock-in Event** has occurred:

[95] Defined in the section « 29. Share Linked Certificates » of the Final Terms
[96] Defined in the section "45. Other Provisions relating to Certificates - (e) Automatic Early Redemption" in the Final Terms
[97] Defined in the section « 16. Final Redemption Amount » of the Final Terms

NA x [100% + 15%]

Coupon AirbagPercentage[3]

FinalRedemptionValue[3]

3) Otherwise:

$$NA * \left[\min\left(100\%, \frac{WOShare_{Final}}{WOShare_{Initial}}\right)\right]$$

Where

WO Share is the Underlying Share with the worst performance from the **Strike Date** to the **Redemption Valuation Date**, defined as:

$$\min_{i=1}^{3}\left(\frac{Share^{i}_{Final}}{Share^{i}_{Initial}}\right)$$

WO Share$_{Initial}$ is the official Closing Price of **WO Share** on the **Strike Date**.

WO Share$_{Final}$ is the official Closing Price of **WO Share** on the **Redemption Valuation Date**.

Share$^{i}_{Initial}$ with i from 1 to 3 is the official Closing Price of the **Share^{i}** on the **Strike Date**.

Share$^{i}_{Final}$ with i from 1 to 3 is the official Closing Price of the **Share^{i}** on the **Redemption Valuation Date**.

Knock-in Determination Day

The Redemption Valuation Date.

Knock-in Valuation Time

Specific Scheduled Closing Time of each Underlying Share on the Redemption Valuation Date.

Knock-in Event[98]

Knock-in Event[4] *means that the Worst Value is lower than the Knock-in Level of 70%*

A Knock-in Event shall be deemed to occur if, at the Knock-in Valuation Time on the Knock-in Determination Day, at least one Underlying Share closes at a price strictly less than its Knock-in Price.

[98] Defined in the section « 32. Knock-in Event » of the form of Final Terms

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Payout Conditions

1. SPS COUPON/PREMIUM AMOUNT RATES, PAYOUTS AND ENTITLEMENT AMOUNTS

1.1 SPS Coupon / Premium Amount Rates

The following Rate of Interest or Premium Amount Rate will apply to the Securities if specified in the applicable Final Terms:

(a) **SPS Fixed Coupon**

If SPS Fixed Coupon is specified as applicable in the applicable Final Terms:

$Rate_{(i)}$.

Description of Coupon / Premium Amount Rate

A SPS Fixed Coupon provides that the Securities bear or pay interest or premium amount at a specified rate for the relevant period.

(b) **SPS Variable Amount Coupon**

If SPS Variable Amount Coupon is specified as applicable in the applicable Final Terms:

Rate(i).

Description of Coupon / Premium Amount Rate

A SPS Variable Amount Coupon provides that the Securities bear or pay interest or premium amount at a specified floating or variable rate for the relevant period.

(c) **Digital Coupon**

If Digital Coupon is specified as applicable in the applicable Final Terms:

(i) If the Digital Coupon Condition is satisfied in respect of SPS Coupon Valuation $Date_{(i)}$ or SPS Coupon Valuation $Period_{(i)}$, as applicable:

$Rate_{(i)}$; or

(ii) if the Digital Coupon Condition is not satisfied in respect of SPS Coupon Valuation $Date_{(i)}$ or SPS Valuation $Period_{(i)}$, as applicable:

zero.

Description of Coupon / Premium Amount Rate

A Digital Coupon provides that the Securities bear or pay interest or premium amount at a specified rate for the relevant period if a specified condition is met. If the condition is not met then the Securities will pay no interest or premium amount for that period.

(d) **Snowball Digital Coupon**

If Snowball Digital Coupon is specified as applicable in the applicable Final Terms:

(i) if the Snowball Digital Coupon Condition is satisfied in respect of SPS Coupon Valuation $Date_{(i)}$ or SPS Coupon Valuation $Period_{(i)}$, as applicable:

$$Rate_{(i)} + SumRate_{(i)}$$

Where "Sum $Rate_{(i)}$" means the sum of $Rate_{(i)}$ for each SPS Coupon Valuation Date or SPS Coupon Valuation Period, as applicable, in the period from (but excluding) the last occurring Snowball Date (or if none the Issue Date) to (but excluding) the relevant SPS Coupon Valuation Date or SPS Coupon Valuation Period; or

(ii) if the Snowball Digital Coupon Condition is not satisfied in respect of SPS Coupon Valuation $Date_{(i)}$ or SPS Coupon Valuation $Period_{(i)}$, as applicable:

zero.

Description of Coupon / Premium Amount Rate

A Snowball Digital Coupon provides that the Securities bear or pay interest or premium amount on the basis of a Digital Coupon Condition but with a memory effect. Any interest or premium amount not paid in respect of a period may be paid at a later date if certain conditions are met.

(e) **Accrual Digital Coupon**

If Accrual Digital Coupon is specified as applicable in the applicable Final Terms:

$$Rate_{(i)} \times (n / N)$$

Where:

"**n**" is the number of AC Digital Days in the relevant SPS Coupon Valuation $Period_{(i)}$ Date on which the AC Digital Coupon Condition is satisfied; and

"**N**" is the number of AC Digital Days in the relevant SPS Coupon Valuation $Period_{(i)}$.

Description of Coupon / Premium Amount Rate

An Accrual Digital Coupon provides that the Securities bear or pay interest or premium amount on the basis of a rate calculated by reference to the number of AC Digital Days on which a specified condition is satisfied in the relevant period.

(f) **Stellar Coupon**

If Stellar Coupon is specified as applicable in the applicable Final Terms:

$$\text{Max}\left(\text{Min Coupon(i)}, \frac{1}{K}\sum_{k=1}^{K}\text{Max}\left[\text{Floor Percentage(i)}, \text{Min}\left(\text{Cap Percentage(i)}, \text{Coupon Value}(i,k)\right)\right] - \text{Strike Percentage(i)}\right)$$

Description of Coupon / Premium Amount Rate

A Stellar Coupon provides that the Securities bear or pay interest or premium amount, in respect of the relevant period on the basis of a rate calculated by reference to a basket of Underlying References with the value of each Underlying Reference being subject to a cap and a floor. The rate is also subject to a floor.

(g) **Cappuccino Coupon**

If Cappuccino Coupon is specified as applicable in the applicable Final Terms:

$$\text{Max (Min Coupon(i)}, \frac{1}{K} \text{ x } \sum_{k=1}^{K} \left[\text{Max } \left(\text{Floor Percentage(i)}, \text{Barrier } \textit{Value}(i, k)\right)\right] - \textit{Strike Percentage}(i))$$

Where "**Barrier Value**" is:

(i) if the Barrier Condition for the relevant Underlying Reference is satisfied in respect of the relevant SPS Coupon Valuation Date:

$\text{Cap Percentage}_{(i)}$; or

(ii) if the Barrier Condition for the relevant Underlying Reference is not satisfied in respect of the relevant SPS Coupon Valuation Date:

$\text{Coupon Value}_{(i, k)}$.

Description of Coupon / Premium Amount Rate

A Cappuccino Coupon provides that the Securities bear or pay interest or premium amount on the basis of a rate calculated by reference to the average value of a basket of Underlying References where each value is floored and may be set at a fixed percentage (the Cap Percentage) if certain conditions are met.

(h) **Ratchet Coupon**

If Ratchet Coupon is specified as applicable in the applicable Final Terms:

(i) if Local Cap Percentage is specified as not applicable in the applicable Final Terms:

$$\text{Max}\left[\sum_{q \text{ in } Q_{(i)}} \text{Max}(\text{Coupon Value}(q) - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}), \text{Global Floor Percentage}_{(i)}\right]$$

(ii) if Local Cap Percentage is specified as applicable in the applicable Final Terms:

$$\text{Max}\left[\sum_{q \text{ in } Q_{(i)}} \text{Max (Min (Coupon Value}(q) - \text{Strike Percentage}_{(i)}, \text{Local Cap Percentage}_{(i)}), \text{Local Floor Percentage}_{(i)}), \text{Global Floor Percentage}_{(i)}\right]$$

Description of Coupon / Premium Amount Rate

A Ratchet Coupon provides that the Securities bear or pay interest or premium amount in respect of the relevant period on the basis of a rate calculated by reference to the sum of two or more rates, in each case subject to a floor and if applicable a cap.

(i) **Driver Coupon**

If Driver Coupon is specified as applicable in the applicable Final Terms:

$$\text{Max (Min Coupon(i)}, \frac{1}{K} \sum_{k=1}^{K} \text{Max } \left(\text{Floor Percentage(i)}, \text{Modified Value(i, k)}\right) - \text{Strike Percentage(i))}$$

Where:

"**Modified Value(i,k)**" is:

(i) if the Coupon Value(i,k) is one of the nfixed greatest value in the basket of the Underlying References:

Driver Percentage; or

(ii) otherwise:

Coupon Value(i, k) .

Description of Coupon / Premium Amount Rate

A Driver Coupon provides that the Securities bear or pay interest or premium amount in respect of the relevant period on the basis of a rate calculated by reference to the average performance of a basket of Underlying References with the Underlying Reference with the "nfixed" highest value being replaced by a fixed percentage (the Driver Percentage).

(j) **Nova Coupon**

If Nova Coupon is specified as applicable in the applicable Final Terms:

(i) if Cap Percentage is specified as not applicable in the applicable Final Terms:

$$\text{Constant Percentage(i)} + \text{Gearing(i)} \times \text{Max}\left[\left(\text{Coupon Value(i)}\right)^{\frac{1}{i}} - \text{Strike Percentage(i)} + \text{Spread(i)}, \text{Floor Percentage(i)}\right]$$

(ii) if Cap Percentage is specified as applicable in the applicable Final Terms:

$$\text{Constant Percentage(i)} + \text{Min}\left(\text{Cap Percentage(i)}, \text{Gearing(i)} \times \text{Max}\left[\left(\text{Coupon Value(i)}\right)^{\frac{1}{i}} - \text{Strike Percentage(i)} + \text{Spread(i)}, \text{Floor Percentage(i)}\right]\right)$$

Description of Coupon / Premium Amount Rate

A Nova Coupon provides that the Securities bear or pay interest or premium amount on the basis of a rate calculated by reference to the value of Underlying Reference(s). The rate is also subject to a floor and if applicable a cap.

(k) **Sum Coupon**

If Sum Coupon is specified in the applicable Final Terms:

$$\sum_{a=1}^{A} CW_{a}(i) \times \prod_{b=1}^{B} (\text{Additional Coupon}_{a,b}(i))$$

Where:

"**CW**" is the relevant Coupon Weighting;

"**A**" is the number specified as such in the applicable Final Terms; and

"**B**" is the number specified as such in the applicable Final Terms.

Description of Coupon / Premium Amount Rate

A Sum Coupon provides that the Securities bear or pay interest or premium amount in respect of the relevant period on the basis of a rate calculated as the weighted sum of two or more interest / premium amount rates provided in the Conditions and specified in the applicable Final Terms.

(l) **Option Max Coupon**

If Option Max Coupon is specified as applicable in the applicable Final Terms:

$$\underset{a=1}{\overset{A}{\mathrm{Max}}}\left(\left[\mathrm{Additional\,Coupon}(i)\right]_a\right).$$

where "**A**" is the number specified as such in the applicable Final Terms.

Description of Coupon / Premium Amount Rate

An Option Max Coupon provides that the Securities bear or pay interest or premium amount in respect of the relevant period on the basis of a rate calculated as the maximum of two or more interest / premium amount rates provided in the Conditions and specified in the applicable Final Terms.

1.2 **SPS Final Payouts**

The following final payouts which when multiplied by the applicable NA (each a "**Final Payout**") will apply to the Securities if specified in the applicable Final Terms:

(a) **SPS Fixed Percentage Securities**

If the Securities are specified in the applicable Final Terms as being SPS Fixed Percentage Securities:

$$\text{Constant Percentage 1}$$

Description of Payout

The Payout comprises a fixed percentage equal to the Constant Percentage.

(b) **SPS Reverse Convertible Securities**

(i) **SPS Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as being SPS Reverse Convertible Securities:

(A) if no Knock-in Event has occurred:

$$\text{Constant Percentage 1}$$; or

(B) if a Knock-in Event has occurred:

$$\text{Max}\left(\text{Constant Percentage 2} + \text{Gearing x Option}; 0\%\right)$$

Where:

"**Option**" means Put, Put Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means Max (Floor Percentage, Min (Constant Percentage 3 – nEDS x Loss Percentage, 0%));

"**nEDS**" means the number of Underlying Reference(s) in the Basket of Underlying References in respect of which the Final Redemption Value is less than or equal to EDS Barrier Percentage;

"**Forward**" means Final Redemption Value – Strike Percentage;

"**Put**" means Max (Strike Percentage – Final Redemption Value; 0); and

"**Put Spread**" means Min (Max (Strike Percentage – Final Redemption Value; 0); Cap Percentage),

Provided That (aa) if the provisions of sub-paragraph (A) of this Payout Condition 1.2(b)(i) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Payout Condition 1.2(b)(i) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount or Redemption Amount, as applicable, will be payable and Physical Delivery will apply.

Description of Payout

The Payout comprises:

- *if no Knock-in Event has occurred, a fixed percentage equal to the Constant Percentage 1;*
- *if a Knock-in Event has occurred and Option is Put or Put Spread indexation to the value of the Underlying Reference(s) up to the Strike Percentage; or*
- *if a Knock-in Event has occurred and Option is Forward, indexation to the value of the Underlying Reference(s); or*
- *If a Knock-in Event has occurred and Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the Percentage.*

Physical Delivery may also apply.

(ii) **SPS Reverse Convertible Standard Securities**

If the Securities are specified in the applicable Final Terms as being SPS Reverse Convertible Standard Securities:

(A) if no Knock-in Event has occurred:

100%; or

(B) if a Knock-in Event has occurred:

Min (100%, Final Redemption Value).

The Payout comprises:

- *if no Knock-in Event has occurred, 100 per cent.; or*
- *if a Knock-in Event has occurred, the minimum of 100 per cent. and indexation to the value of the Underlying Reference(s).*

(c) **SPS Vanilla Products**

(i) **Vanilla Call Securities**

If the Securities are specified in the applicable Final Terms as being Vanilla Call Securities:

$$\text{Constant Percentage1} + \text{Gearing} * \text{Max}\left(\text{Final Redemption Value} - \text{Strike Percentage, Floor Percentage}\right)$$

Description of Payout

The Payout comprises:

- *if Gearing is positive, a fixed percentage equal to Constant Percentage 1 or, if Gearing is negative, no fixed percentage; and*
- *indexation to the value of the Underlying Reference(s) above the Strike Percentage.*

(ii) **Vanilla Call Spread Securities**

If the Securities are specified in the applicable Final Terms as being Vanilla Call Spread Securities:

$$\text{Constant Percentage1} + \text{Gearing} * \text{Min (Max (Final Redemption Value} - \text{Strike Percentage; Floor Percentage), Cap Percentage)}$$

Description of Payout

The Payout comprises:

- *if Gearing is positive, a fixed percentage equal to Constant Percentage 1 or, if Gearing is negative, no fixed percentage; and*
- *indexation to the value of the Underlying Reference(s) above the Strike Percentage up to a maximum level. The maximum level is equal to the Cap Percentage.*

(iii) **Vanilla Put Securities**

If the Securities are specified in the applicable Final Terms as being Vanilla Put Securities:

$$\text{Constant Percentage 1} + \text{Gearing} * \text{Max}\left(\text{Strike Percentage} - \text{Final Redemption Value; 0}\right)$$

Description of Payout

The Payout comprises:

- *if Gearing is positive a fixed percentage equal to Constant Percentage or if Gearing is negative, no fixed percentage; and*
- *indexation to the value of the Underlying Reference(s) below the Strike Percentage.*

(iv) **Vanilla Put Spread Securities**

If the Securities are specified in the applicable Final Terms as being Vanilla Put Spread Securities:

Constant Percentage 1 + Gearing * Min (Max (Strike Percentage - Final Redemption Value; 0); Cap Percentage)

Description of Payout

The Payout comprises:

- *if Gearing is positive a fixed percentage equal to Constant Percentage 1 or, if Gearing is negative, no fixed percentage; and*
- *indexation to the value of the Underlying Reference(s) below the Strike Percentage up to a maximum level. The maximum level is equal to the Cap Percentage.*

(v) **Vanilla Digital Securities**

If the Securities are specified in the applicable Final Terms as being Vanilla Digital Securities:

(A) if a Knock-in Event has occurred:

Constant Percentage 1 + Bonus Coupon ; or

(B) if no Knock-in Event has occurred:

Constant Percentage 2.

Description of Payout

The Payout comprises:

- *a fixed percentage; and*
- *if a Knock-in Event has occurred, the Bonus Coupon.*

(vi) **Knock-in Vanilla Call Securities**

If the Securities are specified in the applicable Final Terms as being Knock-in Vanilla Call Securities:

(A) if a Knock-in Event has occurred:

$$\text{Constant Percentage 1} + \text{Gearing} * \text{Max}\left(\text{Final Redemption Value} - \text{Strike Percentage}, \text{Floor Percentage}\right); \text{ or}$$

(B) if no Knock-in Event has occurred:

Constant Percentage 2.

Description of Payout

The Payout comprises:

- *a fixed percentage; and*

- *if a Knock-in Event has occurred, indexation to the value of the Underlying Reference(s) above the Strike Percentage.*

(vii) **Knock-out Vanilla Call Securities**

If the Securities are specified in the applicable Final Terms as being Knock-out Vanilla Call Securities:

(A) if no Knock-out Event has occurred:

$$\text{Constant Percentage 1} + \text{Gearing} * \text{Max}\left(\text{Final Redemption Value} - \text{Strike Percentage}, \text{Floor Percentage}\right); \text{ or}$$

(B) if a Knock-out Event has occurred:

$$\text{Constant Percentage 2}.$$

Description of Payout

The Payout comprises:

- *a fixed percentage; and*
- *if no Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) above the Strike Percentage.*

(d) **Asianing Products**

(i) **Asian Securities**

If the Securities are specified in the applicable Final Terms as being Asian Securities:

If Asian Local Cap is specified as applicable then:

$$\text{Constant Percentage 1} + \text{Gearing} * \text{Max}\left(\frac{1}{\text{Total M}} \text{x} \sum_{(i)}^{M} \left(\text{Min}(\text{Max}(\text{Final Redemption Value(i)} - \text{StrikePercentage(i)}, \text{Local Floor Per(i)}), \text{Local Cap Percentage (i)})\right), \text{FloorPercentage(i)}\right)$$

If Asian Local Cap is specified as not applicable then:

$$\text{Constant Percentage 1} + \text{Gearing} * \text{Max}\left(\frac{1}{\text{Total M}} \times \sum_{(i)}^{M} \left(\text{Max}(\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)})\right), \text{Floor Percentage}\right)$$

Description of Payout

The Payout comprises:

- *a fixed percentage equal to Constant Percentage 1; and*
- *indexation to the average value of the Underlying Reference(s) when the average value is above the Strike Percentage.*

(ii) **Asian Spread Securities**

If the Securities are specified in the applicable Final Terms as being Asian Spread Securities:

If Asian Local Cap is specified as applicable then:

$$\text{Constant Percentage}1 + \text{Gearing} * \text{Min}\,(\text{Max}\,(\frac{1}{\text{Total M}} \text{x} \sum_{(i)}^{M} (\text{min}(\text{Max}(\text{Final RedemptionValue}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}(i)(\text{Floor}$$

If Asian Local Cap is specified as not applicable then:

$$\text{Constant Percentage}1 + \text{Gearing} * \text{Min}(\text{Max}(\frac{1}{\text{Total M}} \times \sum_{(i)}^{M} (\text{Max}(\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)},$$

$$\text{Local Floor Percentage}_{(i)}\,)), \text{Floor Percentage}); \text{Cap Percentage})$$

Description of Payout

The Payout comprises:

- *a fixed percentage equal to Constant Percentage 1; and*
- *indexation to the average value of the Underlying Reference(s) up to a maximum level if the average value is above the Strike Percentage. The maximum level is equal to the Cap Percentage.*

(iii) **Himalaya Securities**

If the Securities are specified in the applicable Final Terms as being Himalaya Securities:

$$\text{Constant Percentage } 1 + \text{Gearing}*\text{Max}(\frac{1}{\text{Total M}} \times \sum_{(i)}^{M} \text{max}(\text{Best Lock Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}),0)$$

Where:

"**BestLockValue$_{(i)}$**" means the highest Underlying Reference Value on SPS Valuation Date$_{(i)}$ of the Underlying Reference(s) in Relevant Basket$_{(i)}$; and

"**Relevant Basket$_{(i)}$**" means, in respect of SPS Valuation Date$_{(i)}$, a Basket of Underlying References comprising each Underlying Reference in Relevant Basket$_{(i-1)}$ but excluding the Underlying Reference in relation to BestLockValue$_{(i-1)}$.

Relevant Basket$_{(i=1)}$ will be set out in the applicable Final Terms.

Description of Payout

The Payout comprises:

- *a fixed percentage equal to Constant Percentage 1;*
- *average indexation to the Underlying References above the Strike Percentage in accordance with the selection criteria on each Valuation Date where the Value of the best performing Underlying Reference in the Basket of Underlying References is calculated and then removed from the Basket of Underlying References for the following Valuation Dates, the Payout providing indexation to the average of those calculated Values (the BestLockValues) above the Strike Percentage.*

(e) **Auto-Callable Products**

(i) **Autocall Securities**

If the Securities are specified in the applicable Final Terms as being Autocall Securities:

(A) if the Final Redemption Condition is satisfied:

$$\text{Constant Percentage1} + \text{FR Exit Rate}$$; or

(B) if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:

$$\text{Constant Percentage 2} + \text{Coupon Airbag Percentage}$$; or

(C) if the Final Redemption Condition is not satisfied and a Knock-in Event has occurred:

$$\text{Max}\left(\text{Constant Percentage 3} + \text{Gearing x Option}; 0\%\right)$$

where:

"**Option**" means Put, Put Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means Max (Floor Percentage, Min (Constant Percentage 4 – nEDS × Loss Percentage, 0%));

"**Forward**" means Final Redemption Value – Strike Percentage;

"**nEDS**" means the number of underlying Reference(s) in the Basket of Underlying References in respect of which the relevant Final Redemption Value is less than or equal to the EDS Barrier Percentage;

"**Put**" means Max(Strike Percentage – Final Redemption Value; 0); and

"**Put Spread**" means Min (Max (Strike Percentage – Final Redemption Value; 0); Cap Percentage),

Provided That (aa) if the provisions of sub-paragraph (A) of this Payout Condition 1.2(e)(i) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Payout Condition 1.2(e)(i) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms or (cc) if the provisions of sub-paragraph (C) of this Payout Condition 1.2(e)(i) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount or Redemption Amount, as applicable, will be payable and Physical Delivery will apply.

Description of Payout

The Payout comprises:

- *if the Final Redemption Condition is satisfied, a fixed percentage plus a final exit rate (equal to the FR Exit Rate);*

- *if the Final Redemption Condition is not satisfied and no Knock-In Event has occurred, a fixed percentage (that may differ from the above fixed percentage);*

- *if the Final Redemption Condition is not satisfied, a Knock-In Event has occurred and Option is Put or Put Spread no fixed percentage and indexation to the value of the Underlying Reference(s) below the Strike Percentage; or*

- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and Option is Forward, no fixed percentage and indexation to the value of the Underlying Reference(s); or*

- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*

Physical Delivery may also apply.

(ii) **Autocall One Touch Securities**

If the Securities are specified in the applicable Final Terms as being Autocall One Touch Securities:

(A) if the Final Redemption Condition is satisfied:

$$\text{Constant Percentage} 1 + \text{FR Exit Rate};$$

(B) if the Final Redemption Condition is not satisfied and a Knock-out Event has occurred:

$$\text{Constant Percentage } 2 + \text{Coupon Airbag Percentage} 1; \text{ or}$$

(C) if the Final Redemption Condition is not satisfied, no Knock-out Event has occurred and no Knock-in Event has occurred:

$$\text{Constant Percentage } 3 + \text{Coupon Airbag Percentage } 2; \text{ or}$$

(D) if the Final Redemption Condition is not satisfied and if no Knock-out Event has occurred but a Knock-in Event has occurred:

$$\text{Max}\left(\text{Constant Percentage } 4 + \text{Gearing x Option}; 0\%\right)$$

where:

"**Option**" means Put, Put Spread or Forward as specified in the applicable Final Terms;

"**Forward**" means Final Redemption Value – Strike Percentage;

"**Put**" means Max (Strike Percentage – Final Redemption Value; 0); and

"**Put Spread**" means Min (Max (Strike Percentage – Final Redemption Value; 0); Cap Percentage).

Description of Payout

The Payout comprises:

- *if the Final Redemption Condition is met satisfied, a fixed percentage plus a final exit rate (equal to the FR Exit Rate);*
- *if the Final Redemption Condition is not satisfied and a Knock-Out Event has occurred, a fixed percentage (that may differ from the above fixed percentage);*
- *if the Final Redemption Condition is not satisfied and no Knock-Out Event and no Knock-In Event has occurred, a fixed percentage (that may differ from the above fixed percentages); or*
- *if the Final Redemption Condition is not satisfied and no Knock-Out Event has occurred but a Knock-In Event has occurred, if Option is Put or Put Spread no fixed percentage and indexation to the value of the Underlying Reference(s) below the Strike Percentage; or if Option is Forward, no fixed percentage and indexation to the value of the Underlying Reference(s).*

(iii) **Autocall Standard Securities**

If the Securities are specified in the applicable Final Terms as Autocall Standard Securities:

(A) If FR Barrier Value is greater than or equal to the Final Redemption Condition Level:

100% + FR Exit Rate; or

(B) If FR Barrier Value is less than the Final Redemption Condition Level and no Knock-in Event has occurred:

100% + Coupon Airbag Percentage; or

(C) If FR Barrier Value is less than the Final Redemption Condition Level and a Knock-in Event has occurred:

Min (100%, Final Redemption Value).

Description of the Payout

The Payout comprises:

- *if the FR Barrier Value on the SPS Redemption Valuation Date is equal to or greater than the Final Redemption Condition Level, 100 per cent. plus a final exit rate (equal to the FR Exit Rate);*
- *if the FR Barrier Value on the SPS Final Redemption Date is less than the Final Redemption Condition Level and no Knock-in Event has occurred, 100 per cent. plus a fixed percentage; or*

- *if the FR Barrier Value on the SPS Redemption Valuation Date is less than the Final Redemption Condition Level and a Knock-in Event has occurred, the minimum of 100 per cent. and indexation to the value of the Underlying Reference(s).*

(f) **Indexation Products**

(i) **Certi plus: Booster Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Booster Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

$$\text{Constant Percentage} 1 + [\text{Final Redemption Value} + \text{Additional Gearing x } \text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}, 0)]$$

(B) if Cap is specified as applicable in the applicable Final Terms:

$$\text{Constant Percentage} 1 + \text{Min}[\text{Final Redemption Value} + \text{Additional Gearing x } \text{Max}[(\text{Final Redemption Value} - \text{Strike Percentage}, 0), \text{Cap Percentage}]]$$

Description of Payout

If Cap is specified as not applicable the Payout comprises:

- *indexation to the value of the Underlying Reference(s); and*
- *additional indexation to the value of the Underlying Reference(s) above the Strike Percentage.*

If Cap is specified as applicable the Payout provides a limited maximum upside and comprises:

- *indexation to the value of the Underlying Reference(s);*
- *additional indexation to the value of the Underlying Reference(s) above the Strike Percentage; and*
- *subject to a cap of the Cap Percentage.*

(ii) **Certi plus: Bonus Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Bonus Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$$\text{Constant Percentage} 1 + (\text{Down Final Redemption Value})\text{; or}$$

(y) if no Knock-out Event has occurred:

$$\text{Constant Percentage} 1 + [\text{Max}(\text{Bonus Percentage, Up Final Redemption Value})]$$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$$\text{Constant Percentage} 1 + [\text{Down Final Redemption Value} - \text{Max} (\text{Down Final Redemption Value} - \text{Cap Percentage}, 0)]$$; or

(y) if no Knock-out Event has occurred:

$$\text{Constant Percentage} 1 + [\text{Max} (\text{Bonus Percentage}, \text{Up Final Redemption Value}) - \text{Max} (\text{Up Final Redemption Value} - \text{Cap Percentage}, 0)]$$

Description of Payout

If Cap is specified as not applicable the Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*

If Cap is specified as applicable the Payout provides limited maximum upside and comprises:

- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage up to a maximum level. The maximum level is equal to the Cap Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value) up to a maximum level equal to the Cap Percentage.*

(iii) **Certi plus: Leveraged Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Leveraged Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$$\text{Constant Percentage} 1 + [\text{Final Redemption Value} + \text{Additional Gearing} \times \text{Max} (\text{Final Redemption Value} - \text{Strike Percentage}, 0)]$$

; or

(y) if no Knock-out Event has occurred:

$$\text{Constant Percentage} 1 + (\text{Max}(100\%, 100\% + (1 + \text{Additional Gearing}) \times (\text{Final Redemption Value} - \text{Strike Percentage})))$$

.

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

Constant Percentage 1 + Min [Cap Percentage, [Final Redemption Value + Additional Gearing x Max (Final Redemption Value - Strike Percentage, 0)]]; or

(y) if no Knock-out Event has occurred:

Constant Percentage 1 + Min [Cap Percentage, [Max (100%, 100% + (1 + Additional Gearing) x (Final Redemption Value - Strike Percentage))]].

Description of Payout

If Cap is specified as not applicable the Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) above the Strike Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) plus additional indexation to the value of the Underlying Reference(s) above the Strike Percentage.*

If Cap is specified as applicable the Payout provides limited maximum upside and comprises:

- *if no Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) above the Strike Percentage up to a maximum level equal to the Cap Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) plus additional indexation to the value of the Underlying Reference(s) above the Strike Percentage. The aggregate indexation is limited to a maximum level equal to the Cap Percentage.*

(iv) **Certi plus: Twin Win Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Twin Win Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

Constant Percentage 1 + Max [0, Gear Down * Final Redemption Value]; or

(y) if no Knock-out Event has occurred:

Constant Percentage 2 + Max[Max (Gear up 1* (Strike Percentage – Final Redemption Value), Gear up 2* (Final Redemption Value – Strike Percentage)), Floor Percentage]

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

Constant Percentage 1 + [Min (Cap Percentage, Gear Down * Final Redemption Value)]; or

(y) if no Knock-out Event has occurred:

Constant Percentage 2 + Max[Max (Gear up 1* (Strike Percentage – Final Redemption Value), Min (CapPercentage – Strike Percentage, Gear up 2* (Final Redemption Value – Strike Percentage))), Floor Percentage]

Description of Payout

If Cap is specified as not applicable the Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage, indexation to the value of the Underlying Reference(s) above the Strike Percentage and indexation to the value of the Underlying Reference(s) below the Strike Percentage in absolute terms; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s).*

If Cap is specified as applicable the Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage, indexation to the value of the Underlying Reference(s) above the Strike Percentage and up to a maximum level equal to the Cap Percentage and indexation to the value of the Underlying Reference(s) below the Strike Percentage in absolute terms; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) up to a maximum level equal to the Cap Percentage.*

(v) **Certi plus: Super Sprinter Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Super Sprinter Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$$\text{Constant Percentage } 1 + \text{Final Redemption Value} + \text{Additional Gearing x Max (Final Redemption Value - Strike Percentage, 0)}$$; or

(y) if no Knock-in Event has occurred:

$$\text{Constant Percentage } 1 + \text{Final Redemption Value}.$$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$$\text{Constant Percentage } 1 + [\text{Min (Cap Percentage, Final Redemption Value + Additional Gearing x Max (Final Redemption Value - Strike Percentage, 0))}]$$; or

(y) if no Knock-in Event has occurred:

$$\text{Constant Percentage } 1 + [\text{Min (Cap Percentage, Final Redemption Value)}].$$

Description of Payout

If Cap is specified as not applicable the Payout comprises:

- *indexation to the value of the Underlying Reference(s); and*
- *if a Knock-in Event occurs, additional indexation to the value of the Underlying Reference(s) above the Strike Percentage.*

If Cap is specified as applicable the Payout provides a limited maximum upside and comprises:

- *indexation to the value of the Underlying Reference(s) up to a maximum level;*
- *if a Knock-in Event has occurred, additional indexation to the value of the Underlying Reference(s) above the Strike Percentage up to a maximum level; and*
- *a maximum payout equal to Constant Percentage 1 plus the Cap Percentage.*

(vi) **Certi plus: Generic Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Generic Securities:

$$\text{Constant Percentage}\,1 + \text{Gearing Up} \times \text{OptionUp} + \text{Gearing Down} \times \text{Option Down}$$

where:

"**Down Call**" means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Redemption Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Redemption Value – Up Strike Percentage;

"**Up Put**" means Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); and

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); Up Cap Percentage).

Description of the Payout

The Payout provides no guarantee of a fixed percentage and comprises:

- *indexation to the value of the Underlying Reference(s) (through the Option Up which may be subject to a maximum level); and*
- *indexation to the value (this value may differ from the value above) of the Underlying Reference(s) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

(vii) **Certi plus: Generic Knock-in Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Generic Knock-in Securities:

(A) if no Knock-in Event has occurred:

$$\text{Constant Percentage}\,1 + \text{Gearing Up} \times \text{Option Up}\ ;\ \text{or}$$

(B) if a Knock-in Event has occurred:

$$\text{Constant Percentage}\,2 + \text{Gearing Down} \times \text{Option Down}\ ,$$

where:

"**Down Call**" means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Redemption Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Redemption Value – Up Strike Percentage;

"**Up Put**" means Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); and

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); Up Cap Percentage).

Description of the Payout

The Payout comprises:

- *if no Knock-in Event occurs, a fixed percentage and indexation to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level; or*
- *if a Knock-in Event occurs, a fixed percentage indexation to the value of the Underlying Reference(s) (this may differ from the value above) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

(viii) **Certi plus: Generic Knock-out Securities**

If the Securities are specified in the applicable Final Terms as being Certi plus: Generic Knock-out Securities:

(A) if no Knock-out Event has occurred:

Constant Percentage 1 + Gearing Up x Option Up; or

(B) if a Knock-out Event has occurred:

Constant Percentage 2 + Gearing Down x Option Down,

where:

"**Down Call**" means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Redemption Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Redemption Value – Up Strike Percentage;

"**Up Put**" means Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); and

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); Up Cap Percentage).

Description of the Payout

The Payout comprises:

- *if no Knock-out Event occurs, a fixed percentage and indexation to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level; or*
- *if a Knock-out Event occurs, a fixed percentage and indexation to the value of the Underlying Reference(s) (this value may differ from the value above) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

(g) **Ratchet Securities**

If the Securities are specified in the applicable Final Terms as being Ratchet Securities:

(i) if Local Cap is specified as not applicable in the applicable Final Terms:

$$\text{Constant Percentage } 1 + \text{Max}\left(\sum_{q \text{ in } Q(i)} \text{Max}(\text{Final Redemption Value}(q) - \text{Strike Percentage}, \text{Local Floor Percentage}), \text{Global Floor Percentage}\right)$$

(ii) if Local Cap is specified as applicable in the applicable Final Terms:

$$\text{Constant Percentage } 1 + \text{Max}\left(\sum_{q \text{ in } Q(i)} \text{Max}(\text{Min}(\text{Final Redemption Value}(q) - \text{Strike Percentage}, \text{Local Cap Percentage}), \text{Local Floor Percentage}), \text{Global Floor Percentage}\right)$$

Description of Payout

The Payout provides an amount equal to the sum of the Final Redemption Values above the Strike Percentage subject to a floor of the Global Floor Percentage. The Final Redemption Values are calculated on each SPS Valuation Date during the SPS Valuation Period and each may be subject to a Cap and/or a floor.

(h) **Sum Securities**

If the Securities are specified in the applicable Final Terms as being Sum Securities:

$$\text{Constant Percentage} 1 + \sum_{a=1}^{A} PW_a \prod_{b=1}^{B} \left(\left[\text{Additional Final Payout} \right]_{a,b} \right) .$$

Where "**PW**" is the relevant Additional Final Payout Weighting; and

"**A**" is the number specified as such in the applicable Final Terms.

Description of Payout

The Payout comprises a weighted sum of two or more Payouts provided in the Conditions and specified in the applicable Final Terms.

(i) **Option Max Securities**

If the Securities are specified in the applicable Final Terms as being Option Max Securities:

$$\text{Constant Percentage} 1 + \underset{a=1}{\overset{A}{\text{Max}}} \left(\left[\text{Additional Final Payout} \right]_a \right)$$

where "**A**" is the number specified as such in the applicable Final Terms.

Description of Payout

The Payouts comprises a maximum of two or more Payouts provided in the Conditions and specified in the applicable Final Terms.

(j) **Stellar Securities**

If the Securities are specified in the applicable Final Terms as being Stellar Securities:

$$\text{Max}\left(\text{Global Floor Percentage}, \frac{1}{K} \sum_{k=1}^{K} \text{Max}[\text{Local Floor Percentage}, \text{Min}(\text{Cap Percentage}, \text{Final Redemption Value}(k))] \text{-Strike Percentage} \right)$$

Description of Payout

The Payout comprises an amount equal to the sum of the Final Redemption Values above the Strike Percentage for each Underlying Reference in the basket (each such Final Redemption Value being subject to a minimum and a maximum level) subject to a minimum level of the Global Floor Percentage.

(k) **Driver Securities**

If the Securities are specified in the applicable Final Terms as being Driver Securities:

$$\text{Max}\left(\text{Global Floor Percentage}, \frac{1}{K} \sum_{k=1}^{K} \text{Max} (\text{Floor Percentage}, \text{Modified Value}_{(k)}) \text{Strike Percentage} \right)$$

Where:

"**Modified Value**$_{(k)}$" is:

(i) if the Final Redemption Value$_{(k)}$ is one of the nfixed greatest values in the basket of Underlying References:

Driver Percentage; or

(ii) otherwise:

Final Redemption Value$_{(k)}$.

Description of Payout

The Payout comprises an amount calculated by reference to the average performance of a basket of Underlying References above the Strike Percentage with the Underlying Reference with the "nfixed" highest value being replaced by a fixed percentage (the Driver Percentage), subject to a minimum level of the Global Floor Percentage.

(l) If specified in the applicable Final Terms any Final Payout will be subject to a cap of the Maximum Final Payout and/or a floor of the Minimum Final Payout, in each case as specified in the applicable Final Terms.

1.3 **Automatic Early Redemption Payouts, Call Payouts and Put Payouts**

(a) If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, if SPS Automatic Early Redemption Payout is specified in the applicable Final Terms, the Automatic Early Redemption Payout shall be:

$$NA \times (\text{AER Redemption Percentage} + \text{AER Exit Rate}),$$

Provided That if specified in the applicable Final Terms the SPS Automatic Early Redemption Payout will be subject to a cap of the Maximum SPS Automatic Early Redemption Payout and/or a floor of the Minimum SPS Automatic Early Redemption Payout, in each case specified in the applicable Final Terms.

"**AER Athena up Rate**" means:

(a) if Cap is specified as applicable in the applicable Final Terms:

$$\text{Min}\left(\text{Max}\left(\text{ER Floor Percentage}_{(i)}, \text{ER Gearing}_{(i)} \times \left(\text{ER Value}_{(i)} - \text{ER Strike Percentage}_{(i)}\right) + \text{ER Spread}_{(i)}\right), \text{ER Cap Percentage}_{(i)}\right) + \text{ER Constant Percentage}_{(i)}$$

(b) if Cap is specified as not applicable in the applicable Final Terms:

$$\text{Max}\left(\text{ER Floor Percentage}_{(i)}, \text{ER Gearing}_{(i)} \times \left(\text{ER Value}_{(i)} - \text{ER Strike Percentage}_{(i)}\right) + \text{ER Spread}_{(i)}\right) + \text{ER Constant Percentage}_{(i)}$$

"**AER Calculation Period**" means the period from (and including) the Interest Payment Date or Premium Amount Payment Date, as applicable, immediately preceding the Automatic Early Redemption Date (or if none the Issue Date) to (but excluding) the Automatic Early Redemption Date;

"**AER CSN Rate**" means a percentage calculated as the product of the AER Rate and the applicable AER Day Count Fraction;

"**AER Day Count Fraction**" means the Day Count Fraction specified as such in the applicable Final Terms;

"**AER Exit Rate**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, any of AER Rate, AER Athena up Rate or AER CSN Rate as specified in the applicable Final Terms;

"**AER Rate**" is as defined in Condition 7(q)(b) of the Notes or Condition 8(q)(b) of the Certificates, as applicable;

"**AER Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**AER Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**ER Cap Percentage**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Constant Percentage**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, the Percentage specified as such in the applicable Final Terms;

"**ER Floor Percentage**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Gearing**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Spread**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Strike Percentage**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Value**" means, in respect of a SPS ER Valuation Date or SPS ER Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Min Coupon**" means, in respect of a SPS ER Valuation Date, the percentage specified as such in the applicable Final Terms;

"**SPS ER Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS ER Valuation Period**" means each period specified as such in the applicable Final Terms.

(b) **Call Payouts**

If SPS Call Payout is specified in the applicable Final Terms, the Call Payout will be:

$$NA \times (\text{Call Redemption Percentage} + \text{Call Exit Rate}),$$

Provided that if specified in the applicable Final Terms the SPS Call Payout will be subject to a cap of the Maximum SPS Call Payout and/or a floor of the Minimum SPS Call Payout, in each case specified in the applicable Final Terms.

(c) **Definitions for SPS Call Payouts**

"**Call Athena up Rate**" means:

(i) if Cap is specified as applicable in the applicable Final Terms:

$$\text{Min}(\text{Max}(\text{Call Floor Percentage}, \text{Call Gearing} \times (\text{Call Value} - \text{Call Strike Percentage}) + \text{Call Spread Percentage}), \text{Call Cap Percentage}) + \text{Call Constant Percentage}$$

if Cap is specified as not applicable in the applicable Final Terms:

$$\text{Max}(\text{Call Floor Percentage}, \text{Call Gearing} \times (\text{Call Value} - \text{Call Strike Percentage}) + \text{Call Spread Percentage}) + \text{Call Constant Percentage}$$

"**Call Calculation Period**" means the period from (and including) the Interest Payment Date or Premium Amount Payment Date, as applicable, immediately preceding the Optional Redemption Date (or if none the Issue Date) to (but excluding) the Optional Redemption Date;

"**Call CSN Rate**" means a percentage calculated as the product of the Call Rate and the applicable Day Count Fraction;

"**Call Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Call Constant Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Call Exit Rate**" means any of Call Rate, Call Athena up Rate or Call CSN Rate as specified in the applicable Final Terms;

"**Call Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Call Gearing**" means the percentage specified as such in the applicable Final Terms;

"**Call Rate**" means the rate specified as such or determined in the manner set out in, the applicable Final Terms. If the applicable Final Terms specify that the Call Rate is to be determined by reference to a Screen Rate, the Call Rate shall be calculated pursuant to Condition 7(r)(D) of the Terms and Conditions of the Notes or 8(s)(D) of the Terms and Conditions of the Certificates (as applicable), save that references therein to "AER" shall be deemed to be references to "Call";

"**Call Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Call Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**Call Spread Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Call Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Call Value**" means, in respect of an SPS Call Valuation Date or SPS Call Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**SPS Call Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS Call Valuation Period**" means each period specified as such in the applicable Final Terms.

(d) **Put Payouts**

If SPS Put Payout is specified in the applicable Final Terms, the Put Payout will be:

$$NA \times (\text{Put Redemption Percentage} + \text{Put Exit Rate}),$$

Provided That if specified in the applicable Final Terms, the SPS Put Payout will be subject to a cap of the Maximum SPS Put Payout and/or a floor of the Minimum SPS Put Payout, in each case specified in the applicable Final Terms.

(e) **Definitions for SPS Put Payouts**

"**Put Athena up Rate**" means:

(i) if Cap is specified as applicable in the applicable Final Terms:

$$\text{Min}(\text{Max}(\text{Put Floor Percentage}, \text{Put Gearing} \times (\text{Put Value} - \text{Put Strike Percentage}) + \text{Put Spread Percentage}), \text{Put Cap Percentage}) + \text{Put Constant Percentage}$$

(ii) if Cap is specified as not applicable in the applicable Final Terms:

$$\text{Max}(\text{Put Floor Percentage}, \text{Put Gearing} \times (\text{Put Value} - \text{Put Strike Percentage}) + \text{Put Spread Percentage}) + \text{Put Constant Percentage}$$

"**Put Calculation Period**" means the period from (and including) the Interest Payment Date or Premium Amount Payment Date, as applicable, immediately preceding the relevant Optional Redemption Date (or if none the Issue Date) to (but excluding) the relevant Optional Redemption Date;

"**Put Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Put Constant Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Put CSN Rate**" means a percentage calculated as the product of the Put Rate and the applicable Day Count Fraction;

"**Put Exit Rate**" means any of Put Rate, Put Athena up Rate or Put CSN Rate as specified in the applicable Final Terms;

"**Put Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Put Gearing**" means the percentage specified as such in the applicable Final Terms;

"**Put Rate**" means the rate specified as such or determined in the manner set out in, the applicable Final Terms. If the applicable Final Terms specify that the Put Rate is to be determined by reference to a Screen Rate, the Put Rate shall be calculated pursuant to Condition 7(r)(D) of the Terms and Conditions of the Notes or 8(s)(D) of the Terms and Conditions of the Certificates (as applicable), save that references therein to "AER" shall be deemed to be references to "Put";

"**Put Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Put Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**Put Spread Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Put Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Put Value**" means, in respect of an SPS Put Valuation Date or SPS Put Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**SPS Put Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS Put Valuation Period**" means each period specified as such in the applicable Final Terms.

1.4 **SPS Entitlement Amounts**

The following Entitlement Amounts (each an "**Entitlement Amount**") will apply to the Securities if specified in the applicable Final Terms, subject as provided in Payout Condition 1.4(c) below:

(a) **Delivery of Worst-Performing Underlying**

If Delivery of Worst-Performing Underlying is specified as applicable in the applicable Final Terms:

$$NA \times \text{Redemption Payout} / \left(\text{Worst Performing Underlying Reference Closing Price Value}_{(i)} \times FX_{(i)}\right)$$

Where:

"**Worst Performing Underlying Reference Closing Price Value$_{(i)}$**" is the Underlying Reference Closing Price Value$_{(i)}$ on the relevant SPS Valuation Date in respect of the Underlying Reference with the Worst Value on such date; and

"**FX$_{(i)}$**" is the relevant Underlying Reference FX Level$_{(i)}$ on the relevant SPS Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

(b) **Delivery of Best-Performing Underlying**

If Delivery of Best-Performing Underlying is specified as applicable in the applicable Final Terms:

$$\text{NA x Redemption Payout} / \left(\text{Best Performing Underlying Reference Closing Price Value}_{(i)} \text{ x FX}_{(i)}\right)$$

Where:

"**Best-Performing Underlying Reference Closing Price Value$_{(i)}$**" is the Underlying Reference Closing Price Value$_{(i)}$ on the relevant SPS Valuation Date in respect of the Underlying Reference with the Best Value on such date; and

"**FX$_{(i)}$**" is the relevant Underlying Reference FX Level on the relevant SPS Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

(c) **Delivery of the Underlying**

If Delivery of the Underlying is specified as applicable in the applicable Final Terms;

$$\text{NA x Redemption Payout} / \left(\text{Underlying Reference Closing Price Value x FX}_{(i)}\right)$$

Where:

"**Underlying Reference Closing Price Value**" is the Underlying Reference Closing Price Value on the relevant SPS Valuation Date; and

"**FX$_{(i)}$**" is the relevant Underlying Reference FX Level on the relevant SPS Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

(d) **Rounding and Residual Amount**

The Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered and in lieu thereof the Issuer will pay an amount equal to:

$$\text{NA x Redemption Payout} - \sum_{k=1}^{K} \text{Number}(k,i) * \text{FX}_{(k,i)} * \text{Underlying Reference Closing Price Value}_{(k,i)}$$

"**Number (k,i)**" is equal to the Entitlement Amount for the relevant Underlying Reference $_{(k)}$ and SPS Valuation Date $_{(i)}$;

"**Underlying Reference Closing Price Value$_{(k,i)}$**" is the Underlying Reference Closing Price Value$_{(i)}$ on the relevant SPS Valuation Date in respect of the relevant Underlying Reference $_{(k)}$; and

"**FX$_{(k,i)}$**" is the relevant Underlying Reference FX Level on the relevant SPS Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

1.5 **Definitions for SPS Coupon/Premium Amount Rates and FR Exit Rate**

(a) Definitions for SPS Coupon / Premium Amount Rates

"**AC Digital Coupon Barrier Level Down**" means the percentage, amount or number specified as such in the applicable Final Terms;

"**AC Digital Coupon Barrier Level Up**" means the percentage, amount or number specified as such in the applicable Final Terms;

"**AC Digital Coupon Condition**" means:

(a) if Barrier Up is specified as applicable in the applicable Final Terms, that the DC Barrier Value for the relevant SPS Coupon Valuation Date is (i) equal to or greater than the relevant AC Digital Coupon Barrier Level Down and (ii) less than or equal to the relevant AC Digital Coupon Barrier Level Up; or

(b) if Barrier Up is specified as not applicable in the applicable Final Terms, that the DC Barrier Value for the relevant SPS Coupon Valuation Date is equal to or greater than AC Digital Coupon Barrier Level Down;

"**AC Digital Day**" means a calendar day, Business Day, Exchange Business Day, Hybrid Business Day, Scheduled Trading Day, SPS Coupon Valuation Date or other day specified as such in the applicable Final Terms;

"**Additional Coupon**" means each Coupon Rate or Premium Amount Rate specified as such in the applicable Final Terms;

"**Barrier Condition**" means that Coupon Value for the relevant Underlying Reference for the relevant SPS Valuation Date is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level;

"**Barrier Level**" means the percentage, amount or number specified as such in the applicable Final Terms;

"**Constant Percentage**" means the percentage specified as such in the applicable Final Terms.

"**Coupon Value**" means, in respect of an SPS Coupon Valuation Date or SPS Coupon Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Coupon Weighting**" means the number, amount or percentage specified as such in the applicable Final Terms;

"**DC Barrier Value**" means, in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Digital Coupon Condition**" means that the DC Barrier Value for the relevant SPS Coupon Valuation Date or SPS Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level;

"**Driver Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Final Redemption Condition Level**" means the percentage, amount or number specified as such in the applicable Final Terms;

"**Final Redemption Condition Level 2**" means the percentage, amount or number specified as such in the applicable Final Terms;

"**nfixed**" means the number specified as such in the applicable Final Terms;

"**Rate**" means, in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period:

(i) the fixed rate specified in or the floating rate calculated as provided in, the applicable Final Terms; or

(ii) the Vanilla Call Rate or Vanilla Call Spread Rate specified in the applicable Final Terms.

"**Snowball Barrier Value**" means, in respect of a SPS Coupon Valuation Date or SPS Coupon Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Snowball Date**" means each date on which the relevant Snowball Digital Coupon Condition is satisfied or the last day of any SPS Coupon Valuation Period in which the Snowball Digital Coupon Condition is satisfied;

"**Snowball Digital Coupon Condition**" means that the Snowball Barrier Value for the relevant SPS Coupon Valuation Date or SPS Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Snowball Level;

"**Snowball Level**" means the percentage specified as such in the applicable Final Terms;

"**Spread**" means the percentage specified as such in the applicable Final Terms;

"**SPS Coupon Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms;

"**SPS Coupon Valuation Period**" means the period specified as such in the applicable Final Terms;

"**Vanilla Call Rate**" means:

$$\text{Constant Percentage}_{(i)} + \text{Gearing}_{(i)} * \text{Max}\left(\text{Coupon Value}_{(i)} - \text{Strike Percentage}_{(i)} + \text{Spread}_{(i)}, \text{Floor Percentage}_{(i)}\right); \text{ and}$$

"**Vanilla Call Spread Rate**" means:

$$\text{Constant Percentage}_{(i)} + \text{Gearing}_{(i)} * \text{Min}\left(\text{Max}\left(\text{Coupon Value}_{(i)} - \text{Strike Percentage}_{(i)} + \text{Spread}_{(i)}, \text{Floor Percentage}_{(i)}\right); \text{Cap Percentage}_{(i)}\right).$$

(b) **Definitions for FR Rate**

"**FR Athena up Rate**" means:

(a) if Cap is specified as applicable in the applicable Final Terms:

$$\text{Min}(\text{Max}\ (\text{FR Floor Percentage}\ ,\ \text{FR Gearing}\ \times\ (\text{FR Value} - \text{FR Strike Percentage}\ ) + \text{FR Spread}),\ \ \text{FR Cap Percentage}\ ) + \text{FR Constant Percentage}$$

(b) if Cap is specified as not applicable in the applicable Final Terms:

$$\text{Max}\left(\text{FR Floor Percentage}, \text{FR Gearing} \times \left(\text{FR Value} - \text{FR Strike Percentage}\right) + \text{FR Spread}\right) + \text{FR Constant Percentage}$$

"**FR Calculation Period**" means the period from (and including) the Interest Payment Date or Premium Amount Payment Date, as applicable, immediately preceding the Final Valuation Date (or if none the Issue Date) to (but excluding) the Final Valuation Date;

"**FR Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FR Constant Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FR CSN Rate**" means a percentage calculated as the product of the FR Rate and the applicable FR Day Count Fraction;

"**FR Day Count Fraction**" means the Day Count Fraction specified as such in the applicable Final Terms;

"**FR Exit Rate**" means any of FR Rate, FR Athena up Rate or FR CSN Rate as specified in the applicable Final Terms;

"**FR Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FR Gearing**" means the percentage specified as such in the applicable Final Terms;

"**FR Rate**" means the rate specified as such or determined in the manner set out in, the applicable Final Terms. If the applicable Final Terms specify that the FR Rate is to be determined by reference to a Screen Rate, the FR Rate shall be calculated pursuant to Condition 7(r)(D) of the Terms and Conditions of the Notes or 8(s)(D) of the Terms and Conditions of the Certificates (as applicable), save that references therein to "AER" shall be deemed to be references to "FR";

"**FR Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FR Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**FR Spread**" means the percentage specified as such in the applicable Final Terms;

"**FR Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FR Value**" means, in respect of an SPS FR Valuation Date or SPS FR Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Min Coupon**" means the percentage specified as such in the applicable Final Terms;

"**SPS FR Barrier Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms;

"**SPS FR Barrier Valuation Period**" means each period specified as such in the applicable Final Terms;

"**SPS FR Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS FR Valuation Period**" means each period specified as such in the applicable Final Terms.

1.6 **Simple Value and Performance Definitions for SPS Coupon/Premium Amount Rates, Payouts and Entitlement Amounts**

(a) **Basic Value Definitions**

"**FX Value**" means, in respect of an Underlying Reference and a day:

(a) Underlying Reference FX Level for such day divided by Underlying Reference FX Strike Level;

(b) if Underlying Reference FX Hedged Value is specified in the applicable Final Terms, Underlying Reference FX Hedged Value for such day divided by Underlying Reference FX Strike Level;

"**Underlying Reference Closing Price Value**" means, in respect of a SPS Valuation Date:

(a) if the relevant Underlying Reference is an Index, the Closing Level;

(b) if the relevant Underlying Reference is a Custom Index, the Closing Level;

(c) if the relevant Underlying Reference is a Share, the Closing Price or the Italian Securities Reference Price, as specified in the applicable Final Terms;

(d) if the relevant Underlying Reference is an ETI, the Settlement Price

(e) if the relevant Underlying Reference is a Commodity or a Commodity Index, the Relevant Price;

(f) if the relevant Underlying Reference is a Fund, the NAV per Fund Share;

(g) if the relevant Underlying Reference is an Underlying Interest Rate, the Underlying Interest Rate;

(h) if the relevant Underlying Reference is a Currency or Future, the Settlement Price;

(i) if the relevant Underlying Reference is an Inflation Index, the Settlement Price; or

(j) if the relevant Underlying Reference is a Debt Security, the Settlement Price,

in each case in respect of such day;

"**Underlying Reference FX Hedged Value**" means, in respect of an Underlying Reference and a day, the rate determined by the Calculation Agent in accordance with the following formula:

$$\text{Underlying Reference FX Hedged Value}_{t} = \text{Underlying Reference FX Hedged Value}_{t-1} \times \left[\left(1 + \frac{\text{Index}_{t} \times FX_{t}}{\text{Index}_{t-1} \times FX_{t-1}} - \frac{FX_{t}}{FX_{t-1}}\right)\right]$$

Provided That the Underlying Reference FX Hedged Value on the Strike Date is the rate specified in the applicable Final Terms as the Initial Underlying Reference FX Hedged Value.

Where:

"**FX_t**" means, in respect of a day, the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms on such day or if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day or, if such rate of exchange is not available from such sources at such

time, the rate of exchange determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, provided that FX_t on the Strike Date is the rate specified in the applicable Final Terms as FX Initial.

"**FX_{t-1}**" means, in respect of a day, FX_t on the Scheduled Custom Index Business Day immediately preceding such day.

"**$Index_t$**" means, in respect of a day, the level of the relevant Custom Index published by the Index Sponsor in respect of such day or if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day as determined by the Calculation Agent, provided that if the level of the Custom Index is not calculated and announced by the Index Sponsor on such day, the Calculation Agent shall determine the level of such Custom Index in good faith and in a commercially reasonable manner, provided that Indext on the Strike Date is the level specified in the applicable Final Terms as Index Initial Value.

"**$Index_{t-1}$**" means, in respect of a day, $Index_t$ on the Scheduled Custom Index Business Day immediately preceding such day.

"**Underlying Reference FX Level**" means, in respect of an Underlying Reference and a day, the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms for such Underlying Reference on such day;

"**Underlying Reference FX Strike Level**" means in respect of an Underlying Reference:

(a) the rate specified as such in the applicable Final Terms; or

(b) if FX Closing Level is specified as applicable in the applicable Final Terms, the Underlying Reference FX Level for such Underlying Reference on the Strike Date; or

(c) if FX Maximum Level is specified as applicable in the applicable Final Terms, the greatest Underlying Reference FX Level for such Underlying Reference for all the Strike Days in the Strike Period; or

(d) if FX Minimum Level is specified as applicable in the applicable Final Terms, the lowest Underlying Reference FX Level for such Underlying Reference for all the Strike Days in the Strike Period; or

(e) if FX Average Level is specified as applicable in the applicable Final Terms, the arithmetic average of the Underlying Reference FX Levels for such Underlying Reference for all the Strike Days in the Strike Period; and

"**Underlying Reference Strike Price**" means, in respect of an Underlying Reference:

(i) the amount specified as such in the applicable Final Terms; or

(ii) if Strike Price Closing Value is specified as applicable in the applicable Final Terms, the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date; or

(iii) if Strike Price Maximum Value is specified as applicable in the applicable Final Terms, the greatest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period; or

(iv) if Strike Price Minimum Value is specified as applicable in the applicable Final Terms, the lowest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period; or

(v) if Strike Price Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Underlying Reference Closing Price Values for such Underlying Reference for all the Strike Days in the Strike Period; or

(vi) if Barrier Strike Price Closing Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date and (y) the Barrier Percentage Strike Price; or

(vii) if Barrier Strike Price Maximum Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the greatest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price; or

(viii) if Barrier Strike Price Minimum Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the lowest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price; or

(ix) if Barrier Strike Price Average Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the arithmetic average of the Underlying Reference Closing Price Values for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price.

(b) **Mono Underlying Reference Value Definitions**

"**Performance**" means, in respect of an Underlying Reference and a SPS Valuation Date, (a) the Underlying Reference Value for such Underlying Reference in respect of such day minus (b) 100 per cent.;

"**Restrike Performance**" means, in respect of an Underlying Reference and a SPS Valuation Date (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of the immediately preceding SPS Valuation Date (b) less 100 per cent.;

"**Underlying Reference EndDay Closing Value**" means, in respect of an Underlying Reference and a SPS Valuation Date, the Underlying Reference Closing Price Value for such Underlying Reference on the date (the "**SPS EndDay Valuation Date**") falling nEnd days after such SPS Valuation Date;

"**Underlying Reference Intraday Price Value**" means:

(a) if the relevant Underlying Reference is an Index, the Intraday Level; or

(b) if the relevant Underlying Reference is a Share, an ETI, a Commodity or a Commodity Index, the Intraday Price;

"**Underlying Reference Intraday Value**" means, in respect of an Underlying Reference and a SPS Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such SPS Valuation Date (ii) divided by the relevant Underlying Reference

Strike Price, and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value;

"**Underlying Reference Restrike Value**" means, in respect of an Underlying Reference and a SPS Valuation Date (a) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day divided by (b) the Underlying Reference Closing Price Value for such Underlying Reference in respect of the immediately preceding SPS Valuation Date;

"**Underlying Reference StartDay Closing Value**" means, in respect of an Underlying Reference and a SPS Valuation Date, the Underlying Reference Closing Price Value for such Underlying Reference on the date (the "**SPS StartDay Valuation Date**") falling nStart days prior to such SPS Valuation Date;

"**Underlying Reference TOM Restrike Value**" means, in respect of an Underlying Reference and a SPS Valuation Date (a) the Underlying Reference EndDay Closing Value for such Underlying Reference in respect of such day divided by (b) Underlying Reference StartDay Closing Value for such Underlying Reference in respect of such day;

"**Underlying Reference TOM Value**" means, in respect of an Underlying Reference and a SPS Valuation Date, the product of all Underlying Reference TOM Restrike Values for all SPS Valuation Dates prior to and including such SPS Valuation Date in respect of an Underlying Reference; and

"**Underlying Reference Value**" means, in respect of an Underlying Reference and a SPS Valuation Date, (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such SPS Valuation Date (ii) divided by the relevant Underlying Reference Strike Price and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value.

(c) **Multi Underlying Reference Value Definitions**

"**Basket of Underlying References**" means the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Securities, Basket of Commodities, or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"**Basket Value**" means, in respect of a SPS Valuation Date, the sum of the values calculated for each Underlying Reference in the Basket of Underlying References as (a) the Underlying Reference Value for such Underlying Reference in respect of such SPS Valuation Date multiplied by (b) the relevant Underlying Reference Weighting;

"**Best Intraday Value**" means, in respect of a SPS Valuation Date, the highest Underlying Reference Intraday Value for any Underlying Reference in respect of such SPS Valuation Date;

"**Best Value**" means, in respect of a SPS Valuation Date, the highest Underlying Reference Value for any Underlying Reference in the Basket of Underlying References in respect of such SPS Valuation Date;

"**Rainbow Value**" means, in respect of a SPS Valuation Date, the sum of the values calculated for each Underlying Reference in the Basket of Underlying References as (a) the Ranked Value for such Underlying Reference in respect of such SPS Valuation Date multiplied by (b) the relevant Underlying Reference Weighting;

"**Ranked Value**" means, in respect of a SPS Valuation Date, the Underlying Reference Value in respect of the Underlying Reference with the Ranking in respect of such SPS Valuation Date set out in the applicable Final Terms;

"**Ranking**" means, in respect of an SPS Valuation Date, the ordinal positioning of each Underlying Reference by Underlying Reference Value from lowest Underlying Reference Value to greatest Underlying Reference Value in respect of such SPS Valuation Date;

"**Worst Intraday Value**" means, in respect of a SPS Valuation Date, the lowest Underlying Reference Intraday Value for any Underlying Reference in respect of such SPS Valuation Date; and

"**Worst Value**" means, in respect of a SPS Valuation Date, the lowest Underlying Reference Value for any Underlying Reference in the Basket of Underlying References in respect of such SPS Valuation Date.

1.7 **Greatest Period Values for SPS Coupon/Premium Amount Rates, Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"**Greatest Underlying Reference Intraday Value**" means, in respect of an Underlying Reference and a SPS Valuation Period, the highest Underlying Reference Intraday Value for such Underlying Reference for all the SPS Valuation Dates in such SPS Valuation Period; and

"**Greatest Underlying Reference Value**" means, in respect of an Underlying Reference and a SPS Valuation Period, the highest Underlying Reference Value for such Underlying Reference for all the SPS Valuation Dates in such SPS Valuation Period.

(b) **Multi Underlying Reference Value Definitions**

"**Greatest Basket Value**" means, in respect of a SPS Valuation Period, the highest Basket Value for all the SPS Valuation Dates in such SPS Valuation Period;

"**Greatest Best Intraday Value**" means, in respect of a SPS Valuation Period, the highest Best Intraday Value for all the SPS Valuation Dates in such SPS Valuation Period;

"**Greatest Best Value**" means, in respect of a SPS Valuation Period, the highest Best Value for all the SPS Valuation Dates in such SPS Valuation Period;

"**Greatest Rainbow Value**" means, in respect of a SPS Valuation Period, the highest for all SPS Valuation Dates in such SPS Valuation Period of the relevant Rainbow Values; and

"**Greatest Worst Value**" means, in respect of a SPS Valuation Period, the highest Worst Value for all the SPS Valuation Dates in such SPS Valuation Period.

1.8 **Lowest Period Values for SPS Coupon/Premium Amount Rates, Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"**Lowest Underlying Reference Intraday Value**" means, in respect of an Underlying Reference and a SPS Valuation Period, the lowest Underlying Reference Intraday Value for such Underlying Reference for all the SPS Valuation Dates in such SPS Valuation Period; and

"**Lowest Underlying Reference Value**" means, in respect of an Underlying Reference and a SPS Valuation Period, the lowest Underlying Reference Value for such Underlying Reference for all the SPS Valuation Dates in such SPS Valuation Period.

(b) **Multi Underlying Reference Value Definitions**

"**Lowest Basket Value**" means, in respect of a SPS Valuation Period, the lowest Basket Value for all the SPS Valuation Dates in such SPS Valuation Period;

"**Lowest Best Value**" means, in respect of a SPS Valuation Period, the lowest Best Value for all the SPS Valuation Dates in such SPS Valuation Period;

"**Lowest Rainbow Value**" means, in respect of a SPS Valuation Period, the lowest for all SPS Valuation Dates in such SPS Valuation Period of the relevant Rainbow Values;

"**Lowest Worst Intraday Value**" means, in respect of a SPS Valuation Period, the lowest Worst Intraday Value for all the SPS Valuation Dates in such SPS Valuation Period; and

"**Lowest Worst Value**" means, in respect of a SPS Valuation Period, the lowest Worst Value for all the SPS Valuation Dates in such SPS Valuation Period.

1.9 **Average Values for SPS Coupon/Premium Amount Rates, Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"**Average Underlying Reference TOM Value**" means, in respect of an Underlying Reference and a SPS Valuation Period, the arithmetic average of the Underlying Reference TOM Values for such Underlying Reference for all the SPS Valuation Dates in such SPS Valuation Period; and

"**Average Underlying Reference Value**" means, in respect of an Underlying Reference and a SPS Valuation Period, the arithmetic average of the Underlying Reference Value for such Underlying Reference for all the SPS Valuation Dates in such SPS Valuation Period.

(b) **Multi Underlying Reference Value Definitions**

"**Average Basket Value**" means, in respect of a SPS Valuation Period, the arithmetic average of the Basket Values for all the SPS Valuation Dates in such SPS Valuation Period;

"**Average Best Value**" means, in respect of a SPS Valuation Period, the arithmetic average of the Best Values for all the SPS Valuation Dates in such SPS Valuation Period;

"**Average Rainbow Value**" means, in respect of a SPS Valuation Period, the arithmetic average for all SPS Valuation Dates in such SPS Valuation Period of the relevant Rainbow Values; and

"**Average Worst Value**" means, in respect of a SPS Valuation Period, the arithmetic average of the Worst Values for all the SPS Valuation Dates in such SPS Valuation Period.

1.10 **Weighted Average Values for SPS Coupon/Premium Amount Rates, Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"**Weighted Average Underlying Reference Value**" means, in respect of an Underlying Reference and a SPS Valuation Period, the sum of the values calculated for all the SPS Valuation Dates in such SPS Valuation Period as (a) the Underlying Reference Value for such Underlying Reference for such SPS Valuation Date (b) multiplied by the relevant SPS Date Weighting.

(b) **Multi Underlying Reference Value Definitions**

"**Weighted Average Basket Value**" means, in respect of a SPS Valuation Period, the sum of the values calculated for all the SPS Valuation Dates in such SPS Valuation Period as (a) the Basket Value for such SPS Valuation Date (b) multiplied by the relevant SPS Date Weighting;

"**Weighted Average Best Value**" means, in respect of a SPS Valuation Period, the sum of the values calculated for all the SPS Valuation Dates in such SPS Valuation Period as (a) the Best Value for such SPS Valuation Date (b) multiplied by the relevant SPS Date Weighting;

"**Weighted Average Rainbow Value**" means, in respect of a SPS Valuation Period, the sum of the values calculated for all SPS Valuation Dates in such SPS Valuation Period as (a) the relevant Rainbow Values (b) multiplied by the relevant SPS Date Weighting; and

"**Weighted Average Worst Value**" means, in respect of a SPS Valuation Period, the sum of the values calculated for all the SPS Valuation Dates in such SPS Valuation Period as (a) the Worst Value for such SPS Valuation Date (b) multiplied by the relevant SPS Date Weighting.

1.11 **Minimum/Maximum Values**

Any value specified in the applicable Final Terms and used in the calculation of any SPS Coupon / Premium Amount Rate, Payout and/or Entitlement Amount or related provision may be subject to a cap of the Maximum Value and/or a floor of the Minimum Value, in each case specified in the applicable Final Terms.

1.12 **General Definitions for SPS Coupon/Premium Amount Rates, Final Payouts and Entitlement Amounts**

"**Additional Final Payout**" means each Final Payout specified as such in the applicable Final Terms for the relevant Sum Securities or Option Max Securities and if Payout FX Conversion is specified as applicable in the applicable Final Terms, converted into the Payout Currency at the Payout FX Value, in each case specified in the applicable Final Terms;

"**Additional Final Payout Weighting**" is the number, amount or percentage specified as such in the applicable Final Terms;

"**Additional Gearing**" means the percentage specified as such in the applicable Final Terms;

"**Barrier Percentage Strike Price**" means the percentage specified as such in the applicable Final Terms;

"**Bonus Coupon**" means the percentage specified as such in the applicable Final Terms;

"**Bonus Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 4**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Airbag Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Airbag Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Airbag Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Down Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Down Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Down Final Redemption Value**" means the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Down Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**EDS Barrier Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Final Redemption Condition**" means that:

(a) the FR Barrier Value for the relevant SPS FR Barrier Valuation Date or SPS FR Barrier Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Condition Level; (the "**Final Redemption Condition 1**"); and/or (as specified in the applicable Final Terms)

(b) the FR Barrier Value 2 for the relevant SPS FR Barrier Valuation Date or SPS FR Barrier Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Condition Level 2 (the "**Final Redemption Condition 2**");

"**Final Redemption Value**" means the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms;

"**Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FR Barrier Value**" means, in respect of a SPS FR Barrier Valuation Date or SPS FR Barrier Valuation Period, the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10, specified as such in the applicable Final Terms;

"FR Barrier Value 2" means, in respect of a SPS FR Barrier Valuation Date or SPS FR Barrier Valuation Period, the value from Payout Conditions 2.6, 2.7, 2.8, 2.9 or 2.10 specified as such in the applicable Final Terms;

"**Gear Down**" means the percentage specified as such in the applicable Final Terms;

"**Gear Up 1**" means the percentage specified as such in the applicable Final Terms;

"**Gear Up 2**" means the percentage specified as such in the applicable Final Terms;

"**Gearing**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Down**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Up**" means the percentage specified as such in the applicable Final Terms;

"**Global Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"***i***" means the relevant SPS Valuation Date or SPS Valuation Period;

"***j***" means the relevant Strike Date;

"***k***" means the relevant Underlying Reference;

"***K***" means the total number of Underlying References in the Basket of Underlying References;

"**Local Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Local Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Loss Percentage**" means the percentage specified as such in the applicable Final Terms;

"**m**" means the relevant SPS Valuation Date or SPS Valuation Period;

"**M**" means a series of SPS Valuation Dates or SPS Valuation Periods;

"**NA**" means, in respect of a Warrant or Certificate, the Notional Amount or, in respect of a Note, the Calculation Amount;

"**nEnd days**" has the meaning given it in the applicable Final Terms;

"**nStart days**" has the meaning given it in the applicable Final Terms;

"**Payout Currency**" means the currency specified as such in the applicable Final Terms;

"**Payout FX Closing Price Value**" means the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms for such Payout Currency on the Payout FX Rate Date

"**Payout FX Rate Date**" means the date specified as such in the applicable Final Terms;

"**Payout FX Rate Strike Date**" means the date specified as such in the applicable Final Terms;

"**Payout FX Strike Closing Price Value**" means (i) the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms on the Payout FX Rate Strike Date or (ii) the rate of exchange specified in the applicable Final Terms, as specified in the applicable Final Terms;

"**Payout FX Value**" means, in respect of a Payout Currency (a) the Payout FX Closing Price Value divided by (b) the Payout FX Strike Closing Price Value;

"**q**" means the relevant Observation Date or SPS Valuation Date;

"**Q**" is a series of SPS Valuation Dates in SPS Valuation $Period_{(i)}$ or Calculation $Period_{(i)}$;

"**Redemption Payout**" means the Final Payout in specified in the applicable Final Terms;

"**SPS Date Weighting**" means, in respect of an SPS Valuation Date, the number, amount or percentage specified as such for such date in the applicable Final Terms;

"**SPS Redemption Valuation Date**" means each Underlying Interest Determination Date, Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms;

"**SPS Redemption Valuation Period**" means each period specified as such in the applicable Final Terms;

"**SPS Valuation Date**" means each SPS Coupon Valuation Date, SPS Redemption Valuation Date, SPS ER Valuation Date, SPS FR Valuation Date, SPS FR Barrier Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Automatic Early Expiration Valuation Date, SPS EndDay Valuation Date, SPS StartDay Valuation Date, SPS Call Valuation Date, SPS Put

Valuation Date, SPS ACS Valuation Date, SPS APS Valuation Date, Automatic Early Redemption Valuation Date, Strike Day or Strike Date specified as such in the applicable Final Terms;

"**SPS Valuation Period**" means each SPS ER Valuation Period, SPS Coupon Valuation Period, SPS FR Barrier Valuation Period, SPS Call Valuation Period, SPS Put Valuation Period, Automatic Early Redemption Valuation Period, Automatic Early Expiration Valuation Period, SPS FR Valuation Period, SPS Redemption Valuation Period, Knock-in Determination Period, Knock-out Determination Period, SPS ACS Valuation Period, or SPS APS Valuation Period, specified in the applicable Final Terms;

"**Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**T**" means the relevant Observation Date or SPS Valuation Date;

"**Total M**" means the number specified as such in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of the SPS Payouts, Coupon/Premium Amount Rates and Entitlement Amounts, each Index, Share, ETI, Debt Security, Commodity, Commodity Index, Fund, Inflation Index or Future or other basis of reference to which the relevant Securities relate;

"**Underlying Reference Weighting**" means, in respect of an Underlying Reference, the number, amount or percentage specified as such for such Underlying Reference in the applicable Final Terms.

"**Up Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Up Final Redemption Value**" means the value from Payout Conditions 1.6, 1.7, 1.8, 1.9 or 1.10 specified as such in the applicable Final Terms; and

"**Up Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Up Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

2. FIXED INCOME COUPON/PREMIUM AMOUNT RATES AND PAYOUTS

2.1 Fixed Income Coupon/Premium Amount Rates

The following Coupon Rate(s) or Premium Amount Rate(s) will apply to the Securities if specified in the applicable Final Terms:

(a) **FX Vanilla Coupon**

If FX Vanilla Coupon is specified as applicable in the applicable Final Terms:

$$\text{Min}\left(\text{GlobalCap A}, \text{Max}\left(\text{GlobalFloor A}, \text{Gearing A} \times \text{FX Coupon Performance}\right)\right)$$

Description of the Payout

The interest rate will be zero or a specified percentage or the greater of a specified percentage and the product of the performance of the Underlying Reference over a specified period and a gearing percentage.

(b) **FI Digital Coupon**

If FI Digital Coupon is specified as applicable in the applicable Final Terms:

(i) if the FI Digital Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min}\left(\text{Global Cap A}, \text{Max}\left(\text{Global Floor A}, \left(\sum_{i=1}^{n} \text{Gearing A}_{(i)} \times \text{FI Rate A}_{(i)}\right) + \text{Constant A}\right)\right)$$

; or

(ii) if the FI Digital Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min}\left(\text{Global Cap B}, \text{Max}\left(\text{Global Floor B}, \left(\sum_{i=1}^{n} \text{Gearing B}_{(i)} \times \text{FI Rate B}_{(i)}\right) + \text{Constant B}\right)\right)$$

Description of the Payout

A FI Digital Coupon provides that the Securities bear interest at one of 2 specified rates depending upon whether or not the specified Digital Coupon Condition is satisfied . The specified rate can be (i) a fixed percentage or (ii) a fixed percentage (which may be equal to zero) plus a floating rate, where the floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied. The payout may be subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, a negative or a positive number and the fixed percentage may be equal to zero.

The Digital Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices) comparative to a barrier level(s) which can be fixed or step up or down.

(c) **FX Digital Coupon**

If FX Digital Coupon is specified as applicable in the applicable Final Terms:

(i) if the FI Digital Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Min (Global Cap A, Max (Global Floor A, Gearing A x FX Coupon Performance))

or

(ii) if the FI Digital Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min}\left(\text{Global Cap B}, \text{Max}\left(\text{Global Floor B}, \text{Gearing B x FX Coupon Performance}\right)\right)$$

Description of the Payout

A FX Digital Coupon provides that the Securities bear interest at one of two specified rates depending upon whether or not the specified Digital Coupon Condition is satisfied. The specified rate can be (i) a fixed percentage or (ii) a fixed percentage (which may be equal to zero) plus the product of the performance of the Underlying Reference over a specified period and a gearing percentage. The pay-out may be subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, a negative or a positive number and the fixed percentage may be equal to zero. The Digital Coupon Condition is indexed to the value of the Underlying Reference(s).

(d) **Range Accrual Coupon**

If Range Accrual Coupon is specified as applicable in the applicable Final Terms:

$$Min\left\{Global\ Cap, Max\left(Global\ Floor, Min\left[Local\ Cap, Max\left(Local\ Floor, Global\ M\arg in + \sum_{i=1}^{n} \text{Gearing}_{(i)} \text{ x FI Rate}_{(i)}\right)\right] \text{x } {}^{n}\!/_{N}\right)\right\}$$

Where:

"**n**" is the number of Range Accrual Days in the relevant Range Period on which the Range Accrual Coupon Condition is satisfied; and

"**N**" is the number of Range Accrual Days in the relevant Range Period.

If Deemed Range Accrual is specified as applicable in the applicable Final Terms, the FI DC Barrier Value for each Range Accrual Day in the period from (and including) the Range Cut-off Date to (and including) the Range Period End Date will be deemed to be the FI DC Barrier Value on the Range Cut-off Date.

Description of the Payout

*A Range Accrual Coupon provides that the Securities bear interest on the basis of a rate calculated by reference to the number of Range Accrual Days in the relevant Range Accrual Period where the Range Accrual Coupon Condition is satisfied. The interest payable on each Interest Payment Date is equal to K * n/N, where n is the number of Range Accrual Days in the Range Accrual Period on which the Range Accrual Coupon Condition is satisfied and N is the total number of Range Accrual Days in the Range Accrual Period. K can be a fixed percentage or a floating rate plus a margin (which may be zero) and is subject to a minimum level (equal to the Local Floor) or a maximum level (equal to the Local Cap). The floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied.*

The overall rate payable is also subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap).

The Range Accrual Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices) comparative to a barrier level(s) which can be fixed or step up or down.

(e) **FX Range Accrual Coupon**

If FX Range Accrual Coupon is specified as applicable in the applicable Final Terms:

$$\text{Min}\left(\text{Global Cap, Max}\left(\text{Global Floor, FI Rate x n/N}\right)\right)$$

Where:

"**n**" is the number of Range Accrual Days in the relevant Range Period on which the Range Accrual Coupon Condition is satisfied; and

"**N**" is the number of Range Accrual Days in the relevant Range Period.

If Deemed Range Accrual is specified as applicable in the applicable Final Terms, the FI DC Barrier Value or FX Coupon Performance, as applicable, for each Range Accrual Day in the period from (and including) the Range Cut-off Date to (and including) the Range Period End Date will be deemed to be the FI DC Barrier Value or FX Coupon Performance, as applicable, on the Range Cut-off Date.

Description of the Payout

*A Range Accrual Coupon provides that the Securities bear interest on the basis of a rate calculated by reference to the number of Range Accrual Days in the relevant Range Accrual Period where the Range Accrual Coupon Condition is satisfied. The interest payable on each Interest Payment Date is equal to K * n/N, where n is the number of Range Accrual Days in the Range Accrual Period on which the Range Accrual Coupon Condition is satisfied and N is the total number of Range Accrual Days in the Range Accrual Period. K is a fixed percentage .*

The overall rate payable is also subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap).

The Range Accrual Coupon Condition is indexed to the value of the Underlying Reference(s) comparative to a barrier level(s) which can be fixed or step up or down.

(f) **FX Memory Coupon**

If FX Memory Coupon is specified as applicable in the applicable Final Terms:

(i) if the FI Digital Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

FI Rate A – Paid FX Memory Coupons; or

(ii) if the FI Digital Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

FI Rate B

Where:

"**Current FX Memory Coupon Interest Period**" means, in respect of a FI Interest Valuation Date, the Interest Period ending on or immediately prior to such FI Interest Valuation Date.

"**Paid FX Memory Coupons**" means, in respect of a FI Interest Valuation Date, the sum of the values calculated for each Interest Period as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case calculated for each Interest Period preceding the Current FX Memory Coupon Interest Period.

Description of the Payout

A FX Memory Coupon provides that the Securities bear interest at one of two specified rates depending upon whether or not the specified Digital Coupon Condition is satisfied. Either specified rate are a fixed percentage and can be zero. If the specified Digital Coupon Condition is satisfied any previous coupons paid are deducted from the fixed rate paid.

(g) **Combination Floater Coupon**

If Combination Floater is specified as applicable in the applicable Final Terms:

$$\mathrm{Min}\left(\mathrm{Global\,Cap}, \mathrm{Max}\left(\mathrm{Global\,Floor}, \mathrm{Global\,Margin} + \sum_{i=1}^{n} \mathrm{Gearing}_{(i)} \times \mathrm{FI\,Rate}_{(i)}\right)\right)$$

Description of the Payout

A Combination Floater Coupon may be any of the following (i) a fixed percentage or (ii) a floating rate plus a margin (which can be equal to zero), where the floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied. The rate payable is subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, negative or positive.

(h) **PRDC Coupon**

If PRDC Coupon is specified as applicable in the applicable Final Terms:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred:

Min (Cap, Max (Floor, (Coupon Percentage 1 x PRDC Performance) - Coupon Percentage 2));

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

Min (Cap, Max (Floor, (Coupon Percentage 1 x PRDC Performance) - Coupon Percentage 2));

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

Min (Cap, Max (Floor, (Coupon Percentage 1 x PRDC Performance) - Coupon Percentage 2));

II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero);

Where:

"**PRDC Performance**" means the quotient of the Final Settlement Price (as numerator) and the Initial Settlement Price (as denominator).

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on whether such event(s) have occurred.

If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the interest rate will be zero or a percentage that is (subject to a specified minimum and/or maximum) equal to a specified percentage multiplied by the

performance of the Underlying Reference over a specified period and reduced by a specified percentage.

(i) **FI Digital Floor Coupon**

If the Securities are specified in the applicable Final Terms as being FI Digital Floor Coupon Securities:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero);

II. if a Knock-in Event has occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or

III. if a Knock-in Event has occurred and the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 2.

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

I. if the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or

II. if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 2; or

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1;

III. in all other cases:

Digital Floor Percentage 2.

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Floor Condition is satisfied. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Floor Condition is satisfied.

The FI Digital Floor Condition will be satisfied if the FI Digital Value is less than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Floor Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.

(j) **FI Digital Cap Coupon**

If the Securities are specified in the applicable Final Terms as being FI Digital Cap Coupon Securities:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero);

II. if a Knock-in Event has occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

III. if a Knock-in Event has occurred and the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 2; or

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

I. if the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

II. if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 2; or

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

III. in all other cases:

Digital Cap Percentage 2.

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Cap Condition is met. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Cap Condition is satisfied.

The FI Digital Cap Condition will be satisfied if the FI Digital Value is greater than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as specified in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Cap Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.

(k) **FI Target Coupon**

If the Securities are specified in the applicable Final Terms as being FI Target Coupon Securities and an Automatic Early Redemption Event has not occurred, the Coupon Rate or Rate of Interest in respect of the Target Final Interest Period shall be the Final Interest Rate specified in the applicable Final Terms.

Description of the Payout

If Target Automatic Early Redemption applies and an Automatic Early Redemption Event does not occur the rate of interest for the Interest Period ending on the Maturity Date (in the case of Notes) or Redemption Date (in the case of Certificates) will be the Final Interest Rate.

The Final Interest Rate may be

1. Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;

2. Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early Redemption Event occurs, this Interest Rate provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;

3. Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;

4. Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.

2.2 Definitions for Fixed Income Coupon Rates

"**Cap**" means the percentage specified as such in the applicable Final Terms;

"**Constant A**" means the percentage specified as such in the applicable Final Terms;

"**Constant B**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**FI Basket 1**" means the basket of Subject Currencies specified as such in the applicable Final Terms;

"**FI Basket 2**" means the basket of Subject Currencies specified as such in the applicable Final Terms;

"**FI DC Barrier Value**" means, in respect of a FI Interest Valuation Date and an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference;

"**FI Digital Coupon Condition**" means:

(a) (A) if FI Basket 1 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 1 for the relevant FI Interest Valuation Date is or (B) if FI Basket 1 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 1 for the relevant FI Interest Valuation Date is (i)(a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (ii) if a FI Lower Barrier Level is specified in the applicable Final Terms, (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level; and

(b) if FI Digital Coupon Condition 2 is specified as applicable in the applicable Final Terms, (A) if FI Basket 2 is specified as not applicable in the applicable Final Terms that the FI DC Barrier Value for Underlying Reference 2 for the relevant FI Interest Valuation Date is or (B) if FI Basket 2 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 2 for the relevant FI Interest Valuation Date is (i)(a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level 2 and (ii) if a FI Lower Barrier Level 2 is specified in the applicable Final Terms, (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level 2;

"**FI Interest Valuation Date**" means each Underlying Interest Determination Date, Interest Determination Date, Pricing Date, Averaging Date, Valuation Date, Interest Valuation Date and/or Settlement Price Date specified as such in the applicable Final Terms or each Range Accrual Day;

"**FI Lower Barrier Level**" means the number, level or percentage specified as such in the applicable Final Terms;

"**FI Lower Barrier Level 2**" means the number, level or percentage specified as such in the applicable Final Terms;

"**FI Rate**" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"**FI Rate A**" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"**FI Rate B**" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"**FI Upper Barrier Level**" means the number, level or percentage specified as such in the applicable Final Terms;

"**FI Upper Barrier Level 2**" means the number, level or percentage specified as such in the applicable Final Terms;

"**Floor**" means the percentage specified as such in the applicable Final Terms;

"**FX Coupon Performance**" means, in respect of an FI Interest Valuation Date:

(i) in the case of Securities relating to a single Subject Currency, the FX Coupon Performance Value;

(ii) if Weighted Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Subject Currency in the Relevant Basket as (a) the FX Coupon Performance Value for the relevant Subject Currency for such FI Interest Valuation Date (b) multiplied by the relevant FX Weighting;

(iii) if Best Of Weighted Basket is specified as applicable in the applicable Final Terms, the highest FX Coupon Performance Value of any Subject Currency in the Relevant Basket in respect of such FI Interest Valuation Date;

(iv) if Worst Of Weighted Basket is specified as applicable in the applicable Final Terms, the lowest FX Coupon Performance Value of any Subject Currency in the Relevant Basket in respect of such FI Interest Valuation Date;

(v) if Multi Basket is specified as applicable in the Final Terms:

$$\sum_{j=1}^{m} \sum_{i=1}^{n} Gj * (W_i * \text{FX Performance Value})$$

Where:

"**G**" means, in respect of a basket of Subject Currencies, the percentage specified as such for such basket of Subject Currencies in the applicable Final Terms;

"**W**" means, in respect of a Subject Currency, the FX Weighting for such Subject Currency; or

(vi) if Ranked Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Subject/Base Currency in the Relevant Basket as (a) the FX Coupon Ranked Value for the relevant Subject Currency for such FI Interest Valuation Date multiplied by (b) the relevant FX Weighting;

"**FX Coupon Performance Value**" means, in respect of an FI Interest Valuation Date and a Subject Currency:

(a) if FX Performance Coupon 1 is specified in the applicable Final Terms,

FX Final Interest Settlement Price – FX Initial Interest Settlement Price;

(b) if FX Performance Coupon 2 is specified in the applicable Final Terms,

FX Initial Interest Settlement Price – FX Final Interest Settlement Price;

(c) if FX Performance Coupon 3 is specified in the applicable Final Terms,

$$\frac{\left(\text{FX Final Interest Settlement Price} - \text{FX Initial Interest Settlement Price}\right)}{\text{FX Final Interest Settlement Price}};$$

(d) if FX Performance Coupon 4 is specified in the applicable Final Terms,

$$\frac{\left(\text{FX Initial Interest Settlement Price} - \text{FX Final Interest Settlement Price}\right)}{\text{FX Final Interest Settlement Price}};$$

(e) if FX Performance Coupon 5 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{FX Initial Interest Settlement Price}}\right) - \left(\frac{1}{\text{FX Final Interest Settlement Price}}\right);$$

(f) if FX Performance Coupon 6 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{FX Final Interest Settlement Price}}\right) - \left(\frac{1}{\text{FX Initial Interest Settlement Price}}\right);$$

(g) if FX Performance Coupon 7 is specified in the applicable Final Terms,

$$\frac{\left(\text{FX Final Interest Settlement Price} - \text{FX Initial Interest Settlement Price}\right)}{\text{FX Initial Interest Settlement Price}};$$

(h) if FX Performance Coupon 8 is specified in the applicable Final Terms,

$$\frac{\left(\text{FX Initial Interest Settlement Price} - \text{FX Final Interest Settlement Price}\right)}{\text{FX Initial Interest Settlement Price}};$$

(i) if FX Performance Coupon 9 is specified in the applicable Final Terms,

$$\frac{\text{FX Final Interest Settlement Price}}{\text{FX Initial Interest Settlement Price}};$$

(j) if FX Performance Coupon 10 is specified in the applicable Final Terms,

$$\frac{\text{FX Initial Interest Settlement Price}}{\text{FX Final Interest Settlement Price}}.$$

"**FX Coupon Ranked Value**" means, in respect of an FI Interest Valuation Date, the FX Coupon Performance Value in respect of the Subject/Base Currency with the FX Coupon Ranking in respect of such FI Interest Valuation Date set out in the applicable Final Terms;

"**FX Coupon Ranking**" means, in respect of an FI Interest Valuation Date, the ordinal positioning of each Subject/Base Currency by FX Coupon Performance Value from lowest FX Coupon Performance Value to greatest FX Coupon Performance Value in respect of such FI Interest Valuation Date;

"**FX Final Interest Settlement Price**" means, in respect of a Subject/Base Currency, (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Interest Valuation Date, (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates in respect of the relevant FI Interest Valuation Date, (iii) if Highest Look Back is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Subject/Base Currency for all Averaging Dates in respect of the relevant FI Interest Valuation Date or (iv) if Lowest Look Back is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Subject/Base Currency for all Averaging Dates in respect of the relevant FI Interest Valuation Date;

"**FX Initial Interest Settlement Price**" means, in respect of a Subject Currency:

(a) the amount specified as such in the applicable Final Terms; or

(b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Subject Currency on the Strike Date; or

(c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Subject Currency for all the Strike Days in the Strike Period; or

(d) if Highest Look Back Value is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Subject Currency for all the Strike Days in the Strike Period; or

(e) if Lowest Look Back Value is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Subject Currency for all the Strike Days in the Strike Period.

"**Gearing A**" means the percentage specified as such in the applicable Final Terms;

"**Gearing B**" means the percentage specified as such in the applicable Final Terms;

"**Global Cap**" means the percentage specified as such in the applicable Final Terms;

"**Global Cap A**" means the percentage specified as such in the applicable Final Terms;

"**Global Cap B**" means the percentage specified as such in the applicable Final Terms;

"**Global Floor**" means the percentage specified as such in the applicable Final Terms;

"**Global Floor A**" means the percentage specified as such in the applicable Final Terms;

"**Global Floor B**" means the percentage specified as such in the applicable Final Terms;

"**Global Margin**" means the percentage specified as such in the applicable Final Terms;

"**Local Cap**" means the percentage specified as such in the applicable Final Terms;

"**Local Floor**" means the percentage specified as such in the applicable Final Terms;

"**Multiple Underlying Interest Rate Gearing**" means, in respect of an Underlying Interest Rate$_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"**Multiple Underlying Reference Rate**" means, in respect of an Underlying Interest Rate$_{(i)}$ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate.

"**Range Accrual Coupon Barrier Level Down**" means the number, level or percentage specified as such in the applicable Final Terms;

"**Range Accrual Coupon Barrier Level Down 2**" means the number, level or percentage specified as such in the applicable Final Terms;

"**Range Accrual Coupon Barrier Level Up**" means the number, level or percentage specified as such in the applicable Final Terms;

"**Range Accrual Coupon Barrier Level Up 2**" means the number, level or percentage specified as such in the applicable Final Terms;

"**Range Accrual Coupon Condition**" means:

(a) (A) if FI Basket 1 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 1 for the relevant Range Accrual Day is or (B) if FI Basket 1 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 1 for the relevant FI Interest Valuation Date is (a)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (b) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up; or

(b) if Range Accrual Coupon Condition 2 is specified as applicable in the applicable Final Terms (A) if FI Basket 2 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 2 for the relevant Range Accrual Day is or (B) if FI Basket 2 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 2 for the relevant FI Interest Valuation Date is (a)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down 2 and (b) if a Range Accrual Coupon Barrier Level Up 2 is specified in the applicable Final Terms, (ii) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up 2;

"**Range Accrual Day**" means a Scheduled Trading Day, Business Day, Underlying Interest Determination Day or calendar day, as specified in the applicable Final Terms;

"**Range Cut-off Date**" means the date specified as such in the applicable Final Terms;

"**Range Period**" means the period specified as such in the applicable Final Terms;

"**Range Period End Date**" means the date specified as such in the applicable Final Terms;

"**Rate**" means, in respect of a FI Interest Valuation Date, the fixed rate specified in or the floating rate calculated as provided in, the applicable Final Terms.;

"**Relevant Basket**" means FI Basket 1 or FI Basket 2, as applicable;

"**Target Coupon Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Target Determination Date**" means each date specified as such in the applicable Final Terms;

"**Target Final Interest Period**" means the Interest Period ending on the Redemption Date or Maturity Date, as applicable; and;

"**YoY Inflation Rate**" means [Inflation Index(i)/Inflation Index(i-1)] – 1.

2.3 Fixed Income Final Payouts

The following final payouts which when multiplied by the applicable CA (each a "**Final Payout**") will apply to the Securities if specified in the applicable Final Terms.

(i) **FI FX Vanilla Securities**

If the Securities are specified in the applicable Final Terms as being FI FX Vanilla Securities:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

(1) if no Knock-in Event has occurred, FI Constant Percentage 1; or

(2) if a Knock-in Event has occurred:

FI Constant Percentage 1 + (Gearing x Option);

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

FI Constant Percentage 1 + (Gearing x Option);

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

if a Knock-in Event has occurred but a Knock-out Event has not occurred:

FI Constant Percentage 1 + (Gearing x Option);

if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, FI Constant Percentage 1.

Where:

"**Option**" means Max (Performance Value, Floor).

Description of the Payout

If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable the final payout will vary depending on whether such event(s) have occurred.

If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at

the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.

Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the final payout will be zero or a percentage reflecting the product of the performance of the Underlying Reference over a specified period (which may be subject to a minimum and/or a maximum) and a gearing percentage.

(ii) **FI Inflation Securities**

If the Securities are specified in the applicable Final Terms as being FI Inflation Securities:

Max [100%, Cumulative Inflation Rate]

Description of the Payout

The payout comprises an amount per Security equal to 100 per cent. of the Calculation Amount or, if greater, the total positive inflation accretion from the Strike Date to the FI Redemption Valuation Date multiplied by the Calculation Amount.

2.4 Fixed Income Automatic Early Redemption Payouts

If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Automatic Early Redemption Payout shall be:

(i) **Target Automatic Early Redemption**

If Target Automatic Early Redemption is specified as applicable in the applicable Final Terms,

NA x (100% + Final Interest Rate);

Description of the Payout

*If Target Automatic Early Redemption applies, the Securities redeem automatically if the cumulative coupon is greater than or equal to a target barrier, (the "**Automatic Early Redemption Percentage**"). The cumulative coupon is equal to the sum of all previous interest paid plus the interest calculated (but not necessarily paid) for the Interest Period during which the relevant Automatic Early Redemption Valuation Date falls.*

The payout per Security, comprises the Calculation Amount multiplied by 100 per cent. plus the Final Interest Rate.

The Final Interest Rate may be

1. Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;

2. Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early Redemption Event occurs, this Interest Rate provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;

3. Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;

4. Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.

(ii) **FI Underlying Automatic Early Redemption**

If FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms,

NA

Description of the Payout

*If FI Underlying Automatic Early Redemption applies, the Securities redeem automatically if the Underlying Reference observed is greater than or equal to the lower barrier (the "**Automatic Early Redemption Percentage Down**") or less than or equal to the upper barrier (the "**Automatic Early Redemption Percentage Up**"). In this case, the Securities will be redeemed on the next Interest Payment Date. The Underlying Reference (which may be one or more Inflation Index/Indices) can be observed on specified dates or continuously during a period.*

Each Security will redeem at an amount equal to the Calculation Amount and may pay either (i) the interest accrued up to the Interest Payment Date on which the Securities are redeemed, (ii) no interest or (iii) the interest accrued up to date on which the Automatic Early Redemption Event occurred.

(iii) **FI Coupon Automatic Early Redemption**

If FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms,

NA x (100% + (Min (Coupon Cap, Final Coupon Rate) x Final Day Count Fraction))

Description of the Payout

*If FI Coupon Automatic Early Redemption applies, the Securities redeem automatically if the interest to be paid on an Interest Payment Date is greater than or equal to a target barrier, (the "**Automatic Early Redemption Percentage**").*

The amount payable per Security comprises the Calculation Amount multiplied by 100% plus the interest calculated for the relevant Interest Period (which may be capped which means that the maximum interest that an investor may receive following an FI Coupon Automatic Early Redemption is equal to the Coupon Cap.

2.5 Definitions for Fixed Income Automatic Early Redemption Payouts

"**Coupon Cap**" means the percentage specified as such in the applicable Final Terms;

"**Cumulative Inflation Rate**" means Inflation $\text{Index}_{(i)}$/Inflation $\text{Index}_{(base)}$;

"**Final Interest Rate**" means:

(a) if Capped and Guaranteed Applicable is specified in the applicable Final Terms, the Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable less Paid Coupon;

(b) if Capped and Guaranteed Not Applicable is specified in the applicable Final Terms, the product of the Final Coupon Rate and the Final Day Count Fraction;

(c) if Capped Only is specified in the applicable Final Terms:

Min (Final Coupon Rate x Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable – Paid Coupon);

(d) if Guaranteed Only is specified in the applicable Final Terms:

Max (Final Coupon Rate x Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable – Paid Coupon).

2.6 General definitions for Fixed Income Coupon Rates, Final Payouts and Automatic Early Redemption Payouts

"**Cap**" means the percentage specified as such in the applicable Final Terms;

"**Current Interest Period**" means the Interest Period in which the relevant Automatic Early Redemption Valuation Date or in the case of the calculation of the FI Target Coupon, the Target Final Interest Period;

"**Digital Cap Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Cap Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**F1 Constant Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**FI Digital Cap Condition**" means the FI Digital Value for the relevant FI Valuation Date is greater than or equal to the FI Digital Cap Level;

"**FI Digital Cap Level**" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"**FI Digital Floor Condition**" means the FI Digital Value for the relevant FI Valuation Date is less than or equal to the FI Digital Floor Level;

"**FI Digital Floor Level**" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"**FI Digital Plus Condition**" means the FI Digital Value for the relevant FI Valuation Date is greater than the FI Digital Plus Level;

"**FI Digital Plus Level**" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"**FI Digital Value**" means, in respect of a FI Valuation Date, the Performance Value, as specified in the applicable Final Terms;

"**FI Redemption Valuation Date**" means each Settlement Price Date specified as such in the applicable Final Terms;

"**FI Valuation Date**" means each FI Redemption Valuation Date or an FI Interest Valuation Date specified in the applicable Final Terms;

"**Final Coupon Rate**" means the Interest Rate calculated in respect of the Current Interest Period or Target Final Interest Period, as applicable (the "**Final Interest Period**");

"**Final Day Count Fraction**" means the Day Count Fraction applicable to the Final Interest Period; "**Final Settlement Price**" means, in respect of a Subject/Base Currency, (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Valuation Date, (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates, (iii) if Highest Look Back is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Subject/Base Currency for all Averaging Dates or (iv) if Lowest Look Back is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Subject/Base Currency for all Averaging Dates;

"**Floor**" means the percentage specified as such in the applicable Final Terms;

"**FX Performance Value**" means, in respect of an FI Valuation Date:

(a) if Performance Value 1 is specified in the applicable Final Terms,

Final Settlement Price – Initial Settlement Price;

(b) if Performance Value 2 is specified in the applicable Final Terms,

Initial Settlement Price – Final Settlement Price;

(c) if Performance Value 3 is specified in the applicable Final Terms,

$$\frac{\left(\text{Final Settlement Price} - \text{Initial Settlement Price}\right)}{\text{Final Settlement Price}};$$

(d) if Performance Value 4 is specified in the applicable Final Terms,

$$\frac{\left(\text{Initial Settlement Price} - \text{Final Settlement Price}\right)}{\text{Final Settlement Price}};$$

(e) if Performance Value 5 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{Initial Settlement Price}}\right) - \left(\frac{1}{\text{Final Settlement Price}}\right);$$

(f) if Performance Value 6 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{Final Settlement Price}}\right)-\left(\frac{1}{\text{Initial Settlement Price}}\right);$$

(g) if Performance Value 7 is specified in the applicable Final Terms,

$$\frac{\left(\text{Final Settlement Price}-\text{Initial Settlement Price}\right)}{\text{Initial Settlement Price}};$$

(h) if Performance Value 8 is specified in the applicable Final Terms,

$$\frac{\left(\text{Initial Settlement Price}-\text{Final Settlement Price}\right)}{\text{Initial Settlement Price}};$$

(i) if Performance Value 9 is specified in the applicable Final Terms,

$$\frac{\text{Final Settlement Price}}{\text{Initial Settlement Price}};$$

(j) if Performance Value 10 is specified in the applicable Final Terms,

$$\frac{\text{Initial Settlement Price}}{\text{Final Settlement Price}};$$

"**FX Ranking**" means, in respect of an FI Valuation Date, the ordinal positioning of each Subject/Base Currency by FX Performance Value from lowest FX Performance Value to greatest FX Performance Value in respect of such FI Valuation Date;

"**FX Weighting**" means, in respect of a Subject Currency, the number, amount or percentage specified as such for such Subject Currency in the applicable Final Terms;

"**Gearing**" means the percentage specified as such in the applicable Final Terms;

"**Gearing A**" means the percentage specified as such in the applicable Final Terms;

"**Gearing B**" means the percentage specified as such in the applicable Final Terms; "Initial Settlement Price" means, in respect of a Subject Currency:

(a) the amount specified as such in the applicable Final Terms; or

(b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Subject Currency on the Strike Date; or

(c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Subject Currency for all the Strike Days in the Strike Period; or

(d) if Highest Look Back Value is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Subject Currency for all the Strike Days in the Strike Period; or

(e) if Lowest Look Back Value is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Subject Currency for all the Strike Days in the Strike Period.

"**Inflation Index(i)**" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference in respect of the relevant FI Valuation Date;

"**Inflation Index(i-1)**" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the immediately preceding FI Valuation Date (or, if none, the Strike Date);

"**Inflation Index(base)**" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the Strike Date;

"**Inflation Rate**" means, in respect of a FI Valuation Date, YoY Inflation Rate or Cumulative Inflation Rate, as specified in the applicable Final Terms;

"**NA**" means, in respect of Warrants or Certificates, the Notional Amount, or in respect of a Note, the Calculation Amount;

"**Paid Coupon**" means, in respect of an Automatic Early Redemption Valuation Date or Target Determination Date, the sum of the values calculated for each Interest Period as the product of (i) the Interest Rate and (ii) the Day Count Fraction, in each case calculated for such Interest Period preceding the Current Interest Period (in the case of an Automatic Early Redemption Valuation Date) or the Target Final Interest Period (in the case of a Target Determination Date);

"**Performance Value**" means, in respect of an FI Interest Valuation Date:

(i) in the case of Securities relating to a single Subject Currency, the FX Performance Value;

(ii) if Weighted Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Subject Currency in the Basket of Underlying References as (a) the FX Performance Value for the relevant Subject Currency for such FI Valuation Date (b) multiplied by the relevant FX Weighting;

(iii) if Best Of Weighted Basket is specified as applicable in the applicable Final Terms, the highest FX Performance Value of any Subject Currency in the Relevant Basket in respect of such FI Valuation Date;

(iv) if Worst Of Weighted Basket is specified as applicable in the applicable Final Terms, the lowest FX Performance Value of any Subject Currency in the Relevant Basket in respect of such FI Valuation Date;

(v) if Multi Basket is specified as applicable in the applicable Final Terms:

$$\sum_{j=1}^{m} \sum_{i=1}^{n} G_j * (W_i * \text{FX Performance Value})$$

Where:

"**G**" means, in respect of a basket of Subject Currencies, the percentage specified as such for such basket of Subject Currencies in the applicable Final Terms;

"**W**" means, in respect of a Subject Currency, the FX Weighting for such Subject Currency; or

(vi) if Ranked Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Subject/Base Currency in the Relevant Basket as (a) the Ranked Value for the relevant Subject Currency for such FI Valuation Date multiplied by (b) the relevant FX Weighting;

"**Ranked Value**" means, in respect of an FI Valuation Date, the FX Performance Value in respect of the Subject/Base Currency with the FX Ranking in respect of such FI Valuation Date set out in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of the Fixed Income Payouts, each Inflation Index, Subject Currency, Underlying Interest Rate or other basis of reference to which the relevant Securities relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate(i) specified as such (together the "**Multiple Underlying Interest Rate**") will be calculated separately and independently but for the purposes of these Payout Conditions and the Underlying Interest Rate Security Conditions shall be deemed to together constitute an Underlying Reference;

"**Underlying Reference 1**" means the Underlying Reference specified as such in the applicable Final Terms;

"**Underlying Reference 2**" means the Underlying Reference specified as such in the applicable Final Terms;"**Underlying Reference Closing Value**" means, in respect of a FI Valuation Date:

(a) if the relevant Underlying Reference is an Inflation Index, the Relevant Level (as defined in the Inflation Linked Conditions); or

(b) if the relevant Underlying Reference is a rate of interest, the Underlying Reference Rate or, if Multiple Underlying Interest Rate is specified as applicable, the value calculated in accordance with the following formula:

$$\sum_{i=1}^{n} \text{MultipleUnderlying InterestRateGearing}_{(i)} \times \text{MultipleUnderlying ReferenceRate}_{(i)}$$

or

(c) if the relevant Underlying Reference is a Subject Currency, the Settlement Price or FX Coupon Performance Value, as specified in the applicable Final Terms,

in each case in respect of such day.

3 FORMULAE CONSTITUENTS AND COMPLETION

The constituent parts (each a "**Formula Constituent**") of any formula (each a "**Formula**") used in the Payout Conditions and which are to be specified in the applicable Final Terms may be replaced in the applicable Final Terms by the prescribed amount, level, percentage or other value, as applicable for such Formula Constituent.

If a Formula Constituent has a value of either 0 (zero) or 1 (one), or is not applicable in respect of the relevant Securities, then the related Formula may be simplified in the applicable Final Terms by deleting such Formula Constituent.

Any number or percentage to be specified in the applicable Final Terms for the purposes of these Payout Conditions may be a positive or negative, as specified in the applicable Final Terms.

4 CALCULATION AGENT

Unless otherwise specified the calculation or determination of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to these Payout Conditions shall (in the absence of manifest error) be final and binding on the Issuer and the holders of Securities. Whenever the Calculation Agent is required to make any determination it

may, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to these Payout Conditions, the Calculation Agent shall act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or making any determination under the Securities shall not affect the validity or binding nature of any later performance or exercise of such obligation or determination, and none of the Calculation Agent or the Issuer 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.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

*The terms and conditions applicable to Index Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Index Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Index Linked Conditions, the Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Market Disruption

"**Market Disruption Event**" means, in relation to Securities relating to a single Index or basket of Indices:-

(x) in respect of a Composite Index:

(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 the 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

(y) 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 (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the same time when the level of such Index triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances 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 such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that security and (y) the overall level of the 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 of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, 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 or a Valuation Date, as the case may be.

2. Adjustments to an Index

(A) *Successor Index Sponsor Calculates and Reports an Index*

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent (the "**Successor Index Sponsor**"), 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 (the "**Successor Index**") will be deemed to be the Index.

(B) *Modification and Cessation of Calculation of an Index*

If (i) on or prior to the Strike Date, the last Valuation Date, last Observation Date, last Averaging Date, the last Knock-in Determination Day or the last Knock-out Determination Day, 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 (ii) on the Strike Date, a Valuation Date, an Observation Date, an Averaging Date, a Knock-in Determination Day or Knock-out Determination Day, 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,

(i) 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, Observation Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, 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;

(ii) in the case of Notes and Certificates only, unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent may require the Issuer to redeem the Notes or Certificates, as applicable, in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates, as applicable. If the Notes or Certificates are so redeemed the Issuer will pay an amount to each Noteholder or Certificateholder, as the case may be, in respect of each redeemed Note or Certificate equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates, as applicable;

(iii) in the case of Notes and Certificates only, if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Index Linked Condition 2(B)(iii) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata* share of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure); or

(iv) in the case of Warrants only, the Issuer may cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 17 of the Warrants. 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, equal to the Early Termination Amount in accordance with Condition 8(c) of the Warrants. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 of the Warrants.

(C) *Swap Agreement Determination*

Notwithstanding any other provision of this Index Linked Condition 2, in determining whether such Index Adjustment Event has a material effect on the Securities and in calculating the relevant Settlement Price in respect of Index Linked Condition 2(B)(i) above, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or calculation made in respect of the relevant Swap Agreement in relation to such Index Adjustment Event.

(D) *General*

In determining to take a particular action as a result of an Index Adjustment Event, the Calculation Agent is under no duty to consider the interests of Holders of Securities or any other person. In making any determination as to which action to take following the occurrence of an Index Adjustment Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be

responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders of Securities 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.

(E) *Notice*

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to paragraph (B) above and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Holders of Securities copies of any such determinations.

3. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to, in respect of the Notes and Certificates, the due date for any payment, or, in respect of the Warrants, payment of a Cash Settlement Amount, calculated by reference to the level of an Index if the level of 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 (i) in respect of a Composite Index, no later than five Exchange Business Days following the date of the original publication or (ii) 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, in the case of Notes and Certificates, a due date for payment under the Notes or Certificates, as the case may be, or, in the case of Warrants, the relevant Settlement Date calculated by reference to the level of the Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

4. Definitions

"**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.

"**Averaging Date**" means 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:

(A) 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 purposes of determining the relevant level, price, value or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(B) 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, value 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

(C) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:

(i) where the Securities are Index Linked Securities relating to a single Index (other than a Component Security Index), 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 (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;

(ii) where the Securities are Index Linked 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;

(iii) where the Securities are Index Linked Securities relating to a basket of Indices (other than a Basket of Component Security Indices), the Averaging Date for each Index 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 affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index. If the first succeeding Valid Date in relation to such Index 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 (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date) in respect of such Index, and (B) the Calculation Agent shall determine the relevant level, price, value or amount for that Averaging Date in accordance with sub-paragraph (B)(ii) of the definition of "Valuation Date" below;

(iv) where the Securities are Index Linked 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; and

(v) for the purposes of these Index Linked Conditions "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.

"**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 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.

"**Closing Level**" means in respect of an Index and a Scheduled Trading Day the official closing level of such Index on such day, as determined by the Calculation Agent, subject as provided in Index Linked Condition 2.

"**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 specified, any Index the Calculation Agent determines as such.

"**Composite Index"** means any Index which is either a Component Security Index or a Multi-Exchange Index.

"**Disrupted Day**" means:

(A) in the case of a Composite Index, any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the 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 the case of any Index which 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 their regular trading session or (ii) a Market Disruption Event has occurred.

"**Early Closure**" means:

(A) in the case 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 any 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 such Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or 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 (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Exchange Business Day (All Indices Basis) or (b) 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 (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of any Composite Indices, (a) the Index Sponsor publishes the level of such Composite Indices and (b) 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:

(A) in the case of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of such Composite Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time; and

(B) in any other case, any Scheduled Trading Day on which the relevant Exchange and Related Exchange in respect of such Index are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Business Day (Single Index Basis)**" means any Scheduled Trading Day on which (i) 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 (ii) in respect of a Composite Index (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) 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 the case of any 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, (A) any Component Security on the Exchange in respect of such Component Security; or (B) in futures or options contracts relating to such Index on the Related Exchange; and

(B) in the case of any 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 (A) 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 (B) 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 these Index Linked Conditions, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Index Correction Period**" means (i) the period specified in the applicable Final Terms, or (ii) 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 of the Securities is the index sponsor specified for such Index in the applicable Final Terms.

"**Intraday Level**" means in respect of an Index, and any time on a Scheduled Trading Day, the level of such Index at such time on such day, as determined by the Calculation Agent, subject as provided in Index Linked Condition 2.

"**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.

"**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, 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 the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, 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.

"**Related Exchange**" means, in relation to an Index, each exchange or quotation system on which option contracts or futures contracts relating to such Index are traded, or 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 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 as provided in "Valuation Time" below.

"**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 Trading Day**" means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Scheduled Trading Day (All Indices Basis) or (b) 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 (i) in respect of any Index which is not a Composite Index, any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of any Composite Index, any day on which (a) the Index Sponsor is scheduled to publish the level of such Composite Index and (b) each Related Exchange is scheduled to be open for trading during its regular trading session in respect of such Composite Index.

"**Scheduled Trading Day (Per Index Basis)**" means:

(A) in respect of any Composite Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Index; and (ii) the Related Exchange is scheduled to be open for trading during its regular trading session; and

(B) in any other case, any day on which the relevant Exchange and Related Exchange in respect of such Index are scheduled to be open for trading during their respective regular trading session(s).

"**Scheduled Trading Day (Single Index Basis)**" means any day on which (i) 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 (ii) in respect of a Composite Index (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) 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 Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"**Screen Page**" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"**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, subject as referred to in "Strike Date", "Valuation Date" or "Averaging Date" as the case may be:

(i) in the case of Index Linked Securities relating to a single Index, an amount equal to the official closing level of the Index or, in relation to a Composite Index, the official closing level or official opening level, as specified in the applicable Final Terms, of such Index as 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 the 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, the relevant Settlement

Price Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date; and

(ii) in the case of Index Linked Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount equal to the official closing level or official opening level, as specified in the applicable Final Terms, of such Index or, in relation to a Composite Index, the official closing level of such Index as 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 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, the relevant Settlement Price Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting.

"**Settlement Price Date**" means the Strike Date, an Observation Date or the Valuation Date, as the case may be.

"**Specified Maximum Days of Disruption**" means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

"**Strike Date**" means the Strike Date specified as such 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:

(A) in the case of Index Linked Securities relating to a single Index (other than a Component Security Index), 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 in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant level or price 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

(B) in the case of Index Linked Securities relating to a single Component Security Index, 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 not practicable, determine the relevant level or price by determining 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 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

(C) in the case of Index Linked Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), the Strike Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and the Strike Date for each Index, affected (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, value or price using, in relation to the Affected Item, the level, value 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 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) and otherwise in accordance with the above provisions; or

(D) in the case of Index Linked 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 (an "**Affected Item**") by the occurrence of a Disrupted Day, 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 not practicable, determine the relevant level or price by determining 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 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.

"**Trading Disruption**" means:

(A) in the case 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 the 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 (a) relating to securities that comprise 20 per cent. or more of the level of such Index on any relevant Exchange(s) or (b) in futures or options contracts relating to such Index on any relevant Related Exchange.

"**Valuation Date**" means, (i) in respect of the Notes and Certificates, 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 and (ii) in respect of the Warrants, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant, unless, in the case of either (i) or (ii), in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(A) in the case of Index Linked Securities relating to a single Index (other than a Component Security Index), 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, (i) 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 (ii) the Calculation Agent shall determine the relevant value, level or price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant value, level or price 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

(B) in the case of Index Linked Securities relating to a single Component Security Index, 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 not practicable, determine the relevant level or price by determining 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:

(1) 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

(2) 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

(C) in the case of Index Linked Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), the Valuation Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, affected (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 relevant value, level or price using, in relation to the Affected Item, the level, value 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 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) and otherwise in accordance with the above provisions; or

(D) in the case of Index Linked 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 (an "**Affected Item**") by the occurrence of a Disrupted Day, 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 nto practicable, determine the relevant level or price by determining 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.

"**Valuation Time**" means:

(A) the Valuation Time specified in the applicable Final Terms; or

(B) if not specified in the applicable Final Terms:

(x) in the case of a Composite Index, means in respect of such Index: (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 the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or

(y) in the case of any Index which is not a Composite Index, means the Scheduled Closing Time on the Exchange on the relevant date. If the 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.

5. Custom Index

Index Linked Conditions 6 to 8 (inclusive) apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Linked

Conditions 6 to 8 and the other Index Linked Conditions, the provisions of Index Linked Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

(A) Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (i) 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 (ii) 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.

(B) Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (i) 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 (ii) on a 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 Event**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

(1) in the case of Custom Index Linked Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Custom Index Basis) is specified as applicable in the applicable Final Terms, then:

(i) if the Custom Index Adjustment Event is a Custom Index Disruption Event 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 Event is not occurring, unless there is a Custom Index Disruption Event 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 relevant value, level or 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 Event 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 Event (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 shall (x) to the extent that an equivalent or similar adjustment, determination or calculation has been made in respect of the relevant Swap Agreement, take the action described in (I), (II), (III) or (VII) below and (y) in the event that such Custom Index Modification, Custom Index Cancellation or Custom Index Disruption Event results in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action described in either (IV), (V) or (VI) below (as applicable):

(I) if the Custom Index Adjustment Event is a Custom Index Disruption Event 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 Event 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 relevant value, level or 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 Event and using its good faith estimate of the value for the components of the Custom Index; or

(II) 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 of Securities 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 good faith and in a commercially reasonable manner determines appropriate; or

(III) the Calculation Agent may determine in good faith and in a commercially reasonable manner 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

(IV) in the case of Notes and Certificates only, 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 Notes or Certificates, as applicable, in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with Condition 18 of the Notes and to the Certificateholders in accordance with Condition 19 of the Certificates. If the Notes or Certificates are so redeemed the Issuer will pay an amount to each Noteholder or Certificateholder, as the case may be, in respect of each redeemed Note or Certificate equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 of the Notes or as to the Certificateholders in accordance with Condition 19 of the Certificates (as applicable); or

(V) in the case of Notes and Certificates only, if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Index Linked Condition 6(B)(1)(ii)(V) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata share* of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure); or

(VI) in the case of Warrants only, the Issuer may cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 17 of the Warrants. 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 Early Termination Amount in accordance with Condition 8(c) of the Warrants. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 of the Warrants; or

(VII) 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;

(2) in the case of Custom Index Linked Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Custom 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 of Custom Indices shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption Event is not occurring in respect of any of the Custom Indices in the Basket of Custom Indices, unless there is a Custom Index Disruption Event in respect of any one of the Custom Indices in the Basket of Custom Indices 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 of Custom Indices, notwithstanding the Custom Index Disruption Event in respect of an Affected Custom Index and the Calculation Agent shall determine the relevant value, level or price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in these Index Linked Conditions and (Y) in respect of any Custom Index in the Basket of Custom Indices 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 Event 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 Event (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 shall (x) to the extent that an equivalent or similar adjustment, determination or calculation has been made in respect of the relevant Swap Agreement, take the action described in (I), (II), (III) or (VII) below and (y) in the event that such Custom Index Modification, Custom Index Cancellation or Custom Index Disruption Event results in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action described in either (IV), (V) or (VI) below (as applicable):

(I) if the Custom Index Adjustment Event is a Custom Index Disruption Event 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 of Custom Indices 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 Event is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket of Custom Indices unless there is a Custom Index Disruption Event 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 of Custom Indices and may determine the relevant value, level or price by using (X) in respect of any Custom Index in the Basket of Custom Indices which is not an Affected Custom Index, the method provided for in these Index Linked Conditions and (Y) in respect of any Custom Index in the Basket of Custom Indices 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 Event and using its good faith estimate of the value for the components of the Custom Index; or

(II) 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 of Securities

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 good faith and in a commercially reasonable manner determines appropriate; or

(III) the Calculation Agent may determine in good faith and in a commercially reasonable manner 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

(IV) in the case of Notes and Certificates only, 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 Notes or Certificates, as applicable, in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates. If the Notes or Certificates are so redeemed the Issuer will pay an amount to each Noteholder or Certificateholder, as the case may be, in respect of each redeemed Note or Certificate equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates (as applicable); or

(V) in the case of Notes and Certificates only, if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Index Linked Condition 6(B)(2)(ii)(V) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata share* of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure); or

(VI) in the case of Warrants only, the Issuer may cancel the Warrants by giving notice to the Warrantholders in accordance with

Condition 17 of the Warrants. 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 Early Termination Amount in accordance with Condition 8(c) of the Warrants. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 of the Warrants; or

(VII) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket of Custom Indices 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;

(3) in the case of Custom Index Linked Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Custom 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 Event 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 of Custom Indices 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 relevant value, level or 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), 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 shall (x) to the extent that an equivalent or similar adjustment, determination or calculation has been made in respect of the relevant Swap Agreement, take the action described in (I), (II), (III) or (VII) below and (y) in the event that such Custom Index Modification, Custom Index Cancellation or Custom Index Disruption results in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action described in either (IV), (V) or (VI) below (as applicable):

(I) 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 of Custom Indices 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 of Custom Indices 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 relevant value, level or 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

(II) 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 of Securities 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 good faith and in a commercially reasonable manner determines appropriate; or

(III) the Calculation Agent may determine in good faith and in a commercially reasonable manner 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

(IV) in the case of Notes and Certificates only, 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 Notes or Certificates, as applicable, in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates. If the Notes or Certificates are so redeemed the Issuer will pay an amount to each Noteholder or Certificateholder in respect of each redeemed Note or Certificate equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates; or

(V) in the case of Notes and Certificates only, if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Index Linked Condition 6(B)(3)(ii)(V) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata share* of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure); or

(VI) in the case of Warrants only, the Issuer may cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 17 of the Warrants. 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 the fair market value of a Warrant or a Unit, equal to the Early Termination Amount in accordance with Condition 8(c) of the Warrants. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 of the Warrants; or

(VII) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket of Custom Indices 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) *Swap Agreement Determination*

Notwithstanding any other provision of this Index Linked Condition 6, in determining whether such Custom Index Adjustment Event has a material effect on the Securities and in making any calculation, substitution or adjustment in respect of Index Linked Condition 6(B) above, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination, adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Custom Index Adjustment Event.

(D) *General*

In determining to take a particular action as a result of a Custom Index Adjustment Event, the Calculation Agent is under no duty to consider the interests of Holders of Securities or any other person. In making any determination as to which action to take following the occurrence of an Index Adjustment Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders of Securities 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.

(E) *Notice*

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to Index Linked Condition 6(B) and the action proposed to be taken in relation thereto and the Calculation Agent shall make available for inspection by Holders of Securities 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 in respect of the relevant 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 relevant 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 the Custom Indices

"**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;

"**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 Index Linked Condition 6(B) (*Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption*) shall apply;

"**Banking Day**" means any day other than each Saturday and Sunday and 25 December and 1 January in any year;

"**Basket of Custom Indices**" means a basket comprised of two or more Custom Indices;

"**Closing Level**" means in respect of a Custom Index, and a Scheduled Custom Index Business Day the level of such Custom Index published by the Index Sponsor in respect of such day, as determined by the Calculation Agent, subject as provided in Index Linked Condition 6;

"**Custom Index**" or "**Custom Indices**" mean, subject to adjustment in accordance with Condition 6, the custom index or custom indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"**Custom Index Business Day**" means either (i) in the case of a single Custom Index, Custom Index Business Day (Single Custom Index Basis) or (ii) in the case of a Basket of Custom Indices, Custom Index Business Day (All Custom Indices Basis) or Custom Index Business Day (Per Custom 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 Custom Indices Basis) shall apply;

"**Custom Index Business Day (All Custom Indices Basis)**" means any Scheduled Custom Index Business Day in respect of which (i) the level of the Custom Index is calculated and made available and (ii) it is a Custom Index Trading Day in respect of all Custom Indices in the Basket of Custom Indices;

"**Custom Index Business Day (Per Custom Index Basis)**" means, in respect of a Custom Index, any Scheduled Custom Index Business Day in respect of which (i) the level of the Custom Index is calculated and made available and (ii) it is a Custom Index Trading Day;

"**Custom Index Business Day (Single Custom Index Basis)**" means any Scheduled Custom Index Business Day on which (i) the level of the Custom Index is calculated and made available and (ii) 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 Custom 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, a day with respect to which the Swap Counterparty and/or any of its Affiliates determines in good faith and in a commercially reasonable manner it is able 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 determination of the Calculation Agent, acting in good faith and in a commercially reasonable;

"**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;

"**Intraday Level**" means in respect of a Custom Index and any time on a Custom Index Business Day, the level of such Custom Index published by the Index Sponsor in respect of such time or such day, as determined by the Calculation Agent, subject as provided in Index Linked Condition 6;

"**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 Index Linked Condition 6(B) *(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 (i) in the case of a single Custom Index, Scheduled Custom Index Business Day (Single Custom Index Basis) or (ii) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Custom Indices Basis) or Scheduled Custom Index Business Day (Per Custom 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 Custom Indices Basis) shall apply;

"**Scheduled Custom Index Business Day (All Custom Indices Basis)**" means any Banking Day in respect of which (i) the level of the Custom Index is scheduled to be calculated and made available and (ii) it is scheduled to be a Custom Index Trading Day in respect of all Custom Indices in the Basket of Custom Indices;

"**Scheduled Custom Index Business Day (Per Custom Index Basis)**" means in respect of a Custom Index, any Banking Day on which (i) the level of the Custom Index is scheduled to be calculated and made available and (ii) it is scheduled to be a Custom Index Trading Day;

"**Scheduled Custom Index Business Day (Single Custom Index Basis)**" means any Banking Day on which (i) the level of the Custom Index is scheduled to be calculated and made available and (ii) it is scheduled to be a Custom Index Trading Day;

"**Settlement Price**" means in relation to each Cash Settled Note or Certificate, 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:

(i) in the case of Custom Index Linked 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 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 and, in either case, multiplied by the relevant Weighting; and

(ii) in the case of Custom Index Linked 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 (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";

"**Settlement Price Date**" means the Strike Date, an Observation Date or the 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, 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 Linked Condition 6(B) (*Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption*) above shall apply;

"**Strike Price**" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

(i) in the case of Custom Index Linked 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

(ii) in the case of Custom Index Linked Securities relating to a Basket of Custom Indices and in respect of each Custom Index comprising the Basket of Custom Indices, 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.

"**Successor Custom Index Sponsor**" means in relation to a Successor Custom Index, the index sponsor thereof;

"**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, (i) in respect of the Notes and Certificates, the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date, 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 and (ii) in respect of the Warrants, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant, unless, in the case of either (i) or (ii), in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Linked Condition 6(B) (*Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption*) shall apply; and

"**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 Custom Index in its sole and absolute discretion.

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED SECURITIES

*The terms and conditions applicable to Share Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Share Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Share Linked Conditions, the Share Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. 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 (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent, acting in good faith and in a commercially reasonable manner, 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 of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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, an Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

2. Potential Adjustment Events and Extraordinary Events

(a) Potential Adjustment Events

"**Potential Adjustment Event**" means any of the following:

(i) 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;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares or (b) 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 (c) 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 (d) 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;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;

(v) 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;

(vi) 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, certificates, 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

(vii) any other event which 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 good faith and in a commercially reasonable manner.

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 good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case with respect to Physical Delivery Securities) and/or the Weighting and/or any of the other terms of these Share Linked Conditions and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner 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 (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 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 of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable, stating the adjustment to any Relevant Asset and/or the Entitlement (in each case with respect to Physical Delivery Securities) and/or the Weighting and/or any of the other terms of these Share Linked Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

(b) Extraordinary Events

(A) 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 out in Share Linked Condition 2(b)(B) below.

"**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 (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 (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).

"**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 EUR10,000.00, 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 (a) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (b) 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, (i) 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 (ii) 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 (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 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), (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 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 (iv) 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 (a) in the case of Cash Settled Notes, Cash Settled Warrants or Cash Settled Certificates ("**Cash Settled Securities**"), the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date or (b) in the case of Physical Delivery Notes, the relevant Maturity Date, in the case of Physical Delivery Warrants, the relevant Settlement Date, and in the case of Physical Delivery Certificates, the relevant Redemption Date.

"**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. (the "**Percentage Range**") 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.

(B) Consequences of the occurrence of an Extraordinary Event

If an Extraordinary Event occurs in relation to a Share, the Calculation Agent shall (x) to the extent that an equivalent adjustment has been made in respect of the relevant Swap Agreement, take the action described in (i), (vi) and/or (vii) (if applicable), and (y) in the event that the circumstances giving rise to such Extraordinary Event result in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action described in either (ii), (iii), (iv) or (v) (as applicable):

(i) determine in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case with respect to Physical Delivery Securities) and/or the Weighting and/or any of the other terms of these Share Linked 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; or

(ii) in the case of Share Linked Securities relating to a Basket of Shares, notify the Issuer and the Issuer will redeem the Notes or Certificates, as applicable, in part by giving notice to Noteholders in accordance with

Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates, or, as the case may be, cancel part of the Warrants by giving notice to the Warrantholders in accordance with Condition 17 of the Warrants. If the Securities are so redeemed in part the portion of each Note or Certificate (the "**Redeemed Amount**") or, as the case may be, the portion of each Warrant (the "**Cancelled Amount**") representing the affected Share(s) shall be redeemed and the Issuer will pay to each Holder of Securities in respect of each Security held by him an amount equal to the fair market value of the Redeemed Amount or Cancelled Amount, taking into account the Extraordinary Event, less, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Swap Counterparty and/or its Affiliates of unwinding the relevant Swap Agreement (if any) and any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner and the Calculation Agent shall determine in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case with respect to Physical Delivery Securities) and/or the Weighting and/or any of the other terms of these Share Linked Conditions and/or the applicable Final Terms to account for such redemption in part.

For the avoidance of doubt the remaining part of each Security after such redemption or cancellation, 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 of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable;

(iii) in the case of Notes and Certificates only, unless Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, notify the Issuer and the Issuer shall, on giving notice to Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates, as applicable, redeem all but not some only of the Notes or Certificates, as applicable, each such Note or Certificate being redeemed at an amount equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates, as applicable;

(iv) in the case of Notes and Certificates only, if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Share Linked Condition 2(b)(B)(iv) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata share* of the sum of (1) the Early Termination Amount (as defined in the

Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure);

(v) in the case of Warrants only, notify the Issuer and the Issuer shall cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 17 of the Warrants. 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 Early Termination Amount in accordance with Condition 8(c) of the Warrants. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 of the Warrants;

(vi) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as is selected in respect of the Swap Agreement, if any (the "**Options Exchange**"), make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case with respect to Physical Delivery Securities) and/or the Weighting and/or any of the other terms of these Share Linked 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 with respect to Physical Delivery Securities) and/or the Weighting and/or any of the other terms of these Share Linked Conditions and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner 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

(vii) 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 "**Share Company**" or 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 Weighting and/or any of the other terms of these Share Linked Conditions and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner 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 Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

Initial Price = 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 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 good faith and in a commercially reasonable manner 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 in the Basket of Shares, the relevant share must satisfy the following criteria, in determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner:

(a) 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, (i) 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 (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations; or

(b) 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 (a) 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:

(i) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and

(ii) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company in respect of the Affected Share.

(C) Notwithstanding any other provision of this Share Linked Condition 2, in making its determination in respect of Share Linked Condition 2(b)(B) above, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to the relevant Extraordinary Event.

(D) In determining to take a particular action as a result of an Extraordinary Event, the Calculation Agent is under no duty to consider the interests of Holders of Securities or any other person. In making any determination as to which action to take following the

occurrence of an Extraordinary Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders of Securities 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.

(E) Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines to take any action in respect thereof it shall give notice as soon as practicable to the Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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.

3. 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 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 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 to be paid.

4. Definitions

"**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.

"**Averaging Date**" means 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:

(A) 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 purposes of determining the relevant level, price, value or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(B) 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, value 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

(C) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:

(i) where the Securities are Share Linked Securities relating to a single share, 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 (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (A)(ii) of the definition of "**Valuation Date**" below;

(ii) where the Securities are Share Linked Securities relating to a Basket of Shares, the Averaging Date for each Share 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 Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Share. If the first succeeding Valid Date in relation to such Share 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 (A) that such 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 Share, and (B) the Calculation Agent shall determine the relevant level, price, value or amount for that Averaging Date in accordance with sub-paragraph (B)(ii) of the definition of "**Valuation Date**" below; and

(iii) for the purposes of these Share Linked Conditions, "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not occur.

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies.

"**Basket of Shares**" means (i) 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 (ii) a Relative Performance Basket (as defined below).

"**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.

"**Closing Price**" means in respect of a Share and a Scheduled Trading Day the official closing price of such share on such day as determined by the Calculation Agent, subject as provided in Share Linked Condition 2 (as amended where "GDR/ADR" is specified as applicable).

"**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 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 Related Exchange(s) at least one hour prior to the earlier of (i)

the actual closing time for the regular trading session on such Exchange(s) or 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, 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 (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (a) Exchange Business Day (All Shares Basis) or (b) 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 are open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its 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 Related Exchange in respect of such Share is open for trading during its respective regular trading session, notwithstanding any such Related Exchange closing prior to its 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 (i) to effect transactions in, or obtain market values for, the Share(s) on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Share 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 good faith and in a commercially reasonable manner.

"**Intraday Price**" means in respect of a Share and any time on a Scheduled Trading Day, the published or quoted price of such Share at such time on such day, as determined by the Calculation Agent, subject as provided in Share Linked Condition 2 (as amended where "GDR/ADR" is specified as applicable).]

"**Italian Securities Reference Price**" means the Prezzo di Riferimento, which means, in relation to a Share and a Scheduled Trading Day, the price for such Share published by the Italian Stock Exchange at the close of trading for such day and having the meaning ascribed thereto in the Rules of the Market organised and managed by the Italian Stock Exchange, as such Rules may be amended by the Borsa Italiana S.p.a from time to time;

"**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, 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 the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, 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.

"**Related Exchange**" means, in relation to a Share, each exchange or quotation system on which option contracts or futures contracts relating to such Share are traded, or 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 Final Redemption Amount or Cash Settlement Amount, as the case may be, shall be determined by reference to the Share that is either (i) the best performing or (ii) the worst performing in each case as specified in the applicable Final Terms.

"**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 as provided in "Valuation Time" below.

"**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 Trading Day**" means either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (a) Scheduled Trading Day (All Shares Basis) or (b) 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 (All Shares 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 sessions.

"**Scheduled Trading Day (Per Share Basis)**" means, in respect of a Basket of Shares, any day on which the relevant Exchange and Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading sessions.

"**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).

"**Scheduled Valuation Date**" means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"**Screen Page**" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"**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, subject as referred to in "Strike Date," "Averaging Date," "Observation Date" or "Valuation Date" as the case may be:

(i) in the case of Share Linked Securities relating to a single Share, an amount equal to the official closing price, or the Italian Securities Reference Price, as specified in the applicable Final Terms (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 (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 and (or if, in the opinion of the Calculation Agent, any such official closing price or Italian Securities Reference 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, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, 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, acting in good faith and in a commercially reasonable manner; and

(ii) in the case of Share Linked 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 Italian Securities Reference Price, as specified in the applicable Final Terms, (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 (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 or if in the opinion of the Calculation Agent, any such official closing price or Italian Securities Reference 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 such Share whose official closing price or Italian Securities Reference 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, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, 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 relevant 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, acting in good faith and in a commercially reasonable manner.

"**Settlement Price Date**" means the Strike Date, an Observation Date or the Valuation Date, as the case may be.

"**Shares**" and "**Share**" mean 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 (i) the period specified in the applicable Final Terms, or (ii) if none is so specified, one Settlement Cycle.

"**Specified Maximum Days of Disruption**" means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

"**Strike Date**" means the Strike Date specified as such 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:

(A) in the case of Share Linked Securities relating to a single Share, 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 price in accordance with its good faith estimate of the relevant price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or

(B) in the case of Share Linked Securities relating to a Basket of Shares, the Strike Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled

Strike Date, and the Strike Date for each Share affected (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 price using, in relation to the Affected Item, the level, value or price as applicable, determined using 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 otherwise in accordance with the above provisions.

"**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 Related Exchange or otherwise (a) relating to the Share or (b) in futures or options contracts relating to such Share on any relevant Related Exchange.

"**Valuation Date**" means (i) in respect of the Notes and Certificates, the Interest Valuation Date and/or 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 and (ii) in respect of the Warrants, 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:

(A) in the case of Share Linked Securities relating to a single Share, 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, (i) 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 (ii) the Calculation Agent shall determine the relevant value, level or price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or

(B) in the case of Share Linked Securities relating to a Basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share affected (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 relevant value, level or price using, in relation to the Affected Item, a price determined using 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 otherwise in accordance with the above provisions.

"**Valuation Time**" means Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share 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 Interest Valuation time or the Valuation Time, as the case may be, shall be such actual closing time.

5. GDR/ADR

Share Linked Conditions 6 to 10 (inclusive) apply where "GDR/ADR" is specified as applicable in the applicable Final Terms.

6. 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 notes 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.

7. General

Save where specifically provided under the Final Terms, all references in the Conditions and the Share Linked 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.

8. Share Event

Upon the occurrence of a Share Event, the Calculation Agent shall (x) to the extent that an equivalent adjustment in respect of the relevant Swap Agreement has been made, take the action described in Share Linked Condition 2(b)(B)(i), (vi) and/or (vii) (if applicable), and (y) in the event that the circumstances giving rise to such Share Event result in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action described in either Share Linked Condition 2(b)(B)(ii), (iii), (iv) or (v) (as applicable). The Calculation Agent shall notify the Issuer and the Issuer shall give notice as soon as practicable to the Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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; or

(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 or Optional Additional Disruption Event (if specified as applicable in the applicable Final Terms), the Calculation Agent shall determine which of these events such event constitutes in accordance with any equivalent determination made in respect of the relevant Swap Agreement.

In determining to take a particular action as a result of a Share Event, the Calculation Agent is under no duty to consider the interests of Holders of Securities or any other person. In making any determination as to which action to take following the occurrence of a Share Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders of Securities 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.

9. Potential Adjustment Event

The following additional event shall be deemed added to the end of paragraph (i) of the definition of Potential Adjustment Event in Share Linked Condition 2(a):

"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."

10. Extraordinary Event

The following additional events shall be deemed added to the first paragraph of Share Linked Condition 2(b)(A) after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT LINKED SECURITIES

*The terms and conditions applicable to Debt Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Debt Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Debt Linked Conditions, the Debt Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Debt Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Settlement Price

"**Settlement Price**" means 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 "Valuation Date" or "Averaging Date" above:

(i) in the case of Debt Linked Securities relating to a basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security as (x) the Reference Price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time as determined by or on behalf of the Calculation Agent 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 Reference Prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging 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 Security, such prices to be expressed as a percentage of the nominal amount of such Debt Security, (y) multiplied by the product of the nominal amount of such Debt Security and the relevant Weighting; and

(ii) in the case of Debt Linked Securities relating to a single Debt Security, an amount equal to (x) the Reference Price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time as determined by or on behalf of the Calculation Agent 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 Reference Prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging 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 Security, such prices to be expressed as a percentage of the nominal amount of the Debt Security (y) multiplied by the nominal amount of such Debt Security.

2. Market Disruption

"**Market Disruption Event**" shall mean, in respect of a Debt Security, the suspension of or limitation imposed on trading either on any exchange on which such Debt Security is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Security

are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Calculation Agent shall give notice as soon as practicable to the Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable, that a Market Disruption Event has occurred.

3. Correction of Debt Security Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment in respect of the Notes or Certificates, or of a Cash Settlement Amount in respect of the Warrants, if the price of the relevant Debt Security 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 Security Correction Period of the original publication, the price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment in respect of the Notes or Certificates, or the relevant Settlement Date in respect of the Warrants will be disregarded by the Calculation Agent for the purposes of determining the relevant amount in relation to the Notes or Certificates, as applicable, and the Cash Settlement Amount in relation to the Warrants.

4. Redemption or Cancellation of a Debt Security

Notwithstanding Condition 7(o) of the Notes, Condition 8(e) of the Warrants and Condition 8(o) of the Certificates, if on or prior to the last Averaging Date or the last Valuation Date, any Debt Security is redeemed (including any early redemption) or cancelled by the relevant Debt Security Issuer (a "**Debt Security Redemption Event**"), then, except as may be limited in the case of U.S. Securities:

(a) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to the Holders in accordance with Condition 17 of the Warrants. 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, equal to the Early Termination Amount in accordance with Condition 8(c) of the Warrants. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 17 of the Warrants; or

(b) in the case of Notes or Certificates:

(i) unless Delayed Redemption on Occurrence of Debt Security 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 Condition 18 of the Notes and Condition 19 of the Certificates, as applicable. If the Notes or Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Note or Certificate, as applicable, equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 18 of the Notes and Condition 19 of the Certificates, as applicable; or

(ii) if Delayed Redemption on Occurrence of Debt Security Redemption Event is specified as being applicable in the applicable Final Terms, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount

(specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Debt Linked Condition 4(b)(ii) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata share* of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure)..

The Calculation Agent shall, as soon practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to this Debt Linked Condition 4 and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

5. 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 Security Correction Period**" means the period specified as such in the applicable Final Terms or if none, one Settlement cycle.

"**Debt Security Issuer**" means, in respect of a Debt Security, the issuer of such Debt Security.

"**Disrupted Day**" means any Scheduled Trading Day on which a Market Disruption Event has occurred.

"**Reference Price**" means, in respect of a Debt Security, the bid price, mid price, offer price, bid yield, mid yield or offer yield specified as such for such Debt Security in the applicable Final Terms.

"**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.

6. 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.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED SECURITIES

*The terms and conditions applicable to Commodity Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Commodity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. 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, a 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, as soon as practicable, notify the Issuer and the relevant Agent if it has determined that a Market Disruption Event has occurred and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Holders of Securities copies of any such determinations.

2. Consequences of a Market Disruption Event and Disruption Fallbacks

2.1 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 shall (a) to the extent that an equivalent adjustment, calculation or substitution, as the case may be, has been made in respect of the relevant Swap Agreement, take the action described in (i) and/or (ii) below or (b) in the event that the circumstances giving rise to such Market Disruption Event result in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action set out in (iii) below:

(i) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so, shall calculate the relevant amount payable in respect of the Notes or Certificates, or shall calculate the Cash Settlement Amount and/or make any other relevant calculation in respect of the Warrants using, in lieu of a published price for that Commodity or Commodity Index, as the case may be, the price for that Commodity or

Commodity Index, as determined by the Calculation Agent using the Commodity Fallback Value;

(ii) the Calculation Agent may substitute the relevant Commodity, Commodity Reference Price or Index Component with a Commodity, Commodity Reference Price 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 "**Substitute Index Component**"), as the case may be, for each Commodity, Commodity Reference Price or Index Component, as the case may be, (each, an "**Affected Commodity, Affected Commodity Reference Price**" or "**Affected Index Component**") 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 "**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 Weighting and/or any of the other terms of the terms and conditions of the Notes, the terms and conditions of the Warrants or the terms and conditions of the Certificates as applicable, and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Notes or Certificates, or the Cash Settlement Amount in respect of Warrants, as the case may be, was to be determined by reference to the initial price of the Commodity, the Commodity Reference Price or the Index Component, as the case may be, the initial price 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 good faith and in a commercially reasonable manner.

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 in 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 good faith and in a commercially reasonable manner which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders of Securities by the Calculation Agent as soon as practicable after the Substitution Date in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

(iii) the Calculation Agent may give notice to the Issuer and the Issuer shall, on giving notice to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable, redeem or cancel, as applicable, all but not some

only of the Securities, each Security being redeemed or cancelled, as applicable, by payment of an amount equal to the Early Redemption Amount (in the case of Notes or Certificates) in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, or the Early Termination Amount (in the case of Warrants) in accordance with Condition 8(c) of the Warrants, as applicable. Payment shall be made in such manner as shall be notified to the Holders of Securities in accordance with Condition 18 of the Notes Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable;

2.2 General

(A) Notwithstanding any other provision of this Commodity Linked Condition 2, in making its determinations under Commodity Linked Condition 2.1 above, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Market Disruption Event, as the case may be.

(B) In determining to take a particular action as a result of a Market Disruption Event, the Calculation Agent is under no duty to consider the interests of Holders of Securities or any other person. In making any determination as to which action to take following the occurrence of a Market Disruption Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders of Securities 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.

3. Adjustment to a Commodity Index

3.1 **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.

3.2 **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:

(a) 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

(b) the Calculation Agent may require the Issuer to cancel or redeem the Securities, as applicable, by giving notice to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security held by such Holder being cancelled or redeemed the Early Redemption Amount (in the case of Notes or Certificates) in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, or the Early Termination Amount (in the case of Warrants) in accordance with Condition 8(c) of the Warrants, as applicable. Payments will be made in such manner as shall be notified to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

3.3 **General**

(A) Notwithstanding any other provision of this Commodity Linked Condition 3, in making its determinations under Commodity Linked Condition 3.2 above, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Market Disruption Event, as the case may be.

(B) In determining to take a particular action as a result of a Commodity Index Adjustment Event, the Calculation Agent is under no duty to consider the interests of Holders of Securities or any other person. In making any determination as to which action to take following the occurrence of a Commodity Index Adjustment Event, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders of Securities 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.

4. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to, in the case of the Notes or Certificates, as applicable, the due date for any payment under such Notes or Certificates, or, in the case of the Warrants, the due date for any payment of a Cash Settlement Amount calculated by reference to a Commodity Reference Price, 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, in the case of the Notes or Certificates, as applicable, a due date for payment under such Notes or Certificates or, in the case of the Warrants, the relevant Settlement Date calculated by reference to a

Commodity Reference Price will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Definitions

"**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.

"**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 or Commodity Indices;

"**Commodity**" means subject to adjustment in accordance with these Commodity Linked Conditions, 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 these Commodity Linked Conditions 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 the Basket Components is scheduled to be published or announced in accordance with (i) or (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 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 Swap Counterparty or any of its Affiliates 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 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 a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;

(b) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

(c) 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;

"**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 Linked Condition 2 (*Consequences of a Market Disruption Event and Disruption Fallbacks*).

"**Exchange**" means, in relation to 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 or, if such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

"**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 or referred to in that Commodity Reference Price;

"**Index Component Disruption Event**" means:

(i) 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

(ii) 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, or if such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

"**Intraday Price**" means in respect of a Commodity, Commodity Index or Index Component and any time on a Pricing Date, the relevant price of such Commodity, Commodity Index or Index Component at such time or such day, as determined by the Calculation Agent, subject as provided in Commodity Linked Condition 2 and Commodity Linked Condition 3.

"**Limit Price Event**" means that the settlement price of any Commodity or Index Component has increased or decreased from the previous day's published settlement price by an amount equal to the maximum amount permitted under the applicable exchange rules for such Commodity or Index Component.

"**Material Change in Content**" means the occurrence since the Issue 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 Issue 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**" means, when preceded by a numerical adjective and 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 Commodity Disrupted Day, in which case 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, (i) 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 (ii) the Calculation Agent shall take action in accordance with the provisions of Commodity Linked Condition 2 (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

References in these Commodity Linked 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 Linked Conditions and the applicable Final Terms;

"**Scheduled Pricing Date**" or "**Scheduled Interest Pricing Date**" means any original date that, but for the occurrence of a Market Disruption Event, would have been a Pricing Date. References in these Commodity Linked Conditions to "Scheduled Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Scheduled Interest Pricing Date"

"**Scheduled Trading Day"** means, if the Securities are Hybrid Securities and Hybrid Business Day is specified as applicable in the applicable Final Terms, for the purpose of determining whether a day is a Hybrid Business Day, a Commodity Business Day;

"**Specified Maximum Days of Disruption**" means five 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, (i) the closing or (ii) the 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; (o) the arithmetic average of bid and offer prices at 5.30pm (CET time) on the Pricing Date or (p) 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, 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:

(1) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or

(2) 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 on such day is at the upper or lower limit of that range.

ANNEX 6

ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

*The terms and conditions applicable to Inflation Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Inflation Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Inflation Linked Conditions set out below, the Inflation Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Inflation Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an 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 with respect to such Valuation Date (the "**Substitute Index Level**") shall be determined by the Calculation Agent (subject to Inflation Linked Condition 3(ii) below), as follows:

(i) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

(ii) if (I) Related Bond is specified as not applicable in the applicable Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level),

where:

"**Base Level**" means the level of the 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 Index Level is being determined.

"**Latest Level**" means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

"**Reference Level**" means the level of the 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 Calculation Agent shall notify the Issuer and the Issuer shall promptly give notice to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable, of any Substitute 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 Index Level so determined pursuant to this Inflation Linked Condition 1 will be the definitive level for that Reference Month.

2. Successor Index

If the Calculation Agent determines that the level of an 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 Index and/or the Index Sponsor cancels the Index (each of which, an "**Inflation Index Adjustment Event**") then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Securities as follows:

(i) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine a "Successor Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;

(ii) if (x) Related Bond is specified as not applicable in the Final Terms or (y) 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 Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a "Successor Index";

(iii) if no Successor Index has been deemed under (i) or (ii) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the 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 Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Index"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index, and such index will be deemed a "Successor Index"; or

(iv) 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 Index shall be deemed to replace the Index for the purposes of the Securities. Notwithstanding any other provision of this Inflation Linked Condition 2, in making its determinations hereunder, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Inflation Index Adjustment Event.

Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to the Issuer by the Calculation Agent and the Issuer will give notice to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable.

3. Adjustments

(i) Successor Index

If a Successor Index is determined in accordance with Inflation Linked Condition 2, the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Securities and/or any other relevant term of the Securities as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of Securities of any such adjustment in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

(ii) Substitute Index Level

If the Calculation Agent determines a Substitute Index Level in accordance with Inflation Linked Condition 1, the Calculation Agent may make any adjustment or adjustments (without limitation) to (x) the Substitute Index Level determined in accordance with Index Linked Condition 1 and/or (y) any amount payable under the Securities 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 Securities of any such adjustment in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

(iii) 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 Linked Condition 3(vi)(ii) 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 Securities of any valid revision in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, 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 amount payable under the Securities and/or any other relevant term of the Securities as the Calculation Agent determines to be appropriate acting in good faith and in a commercially reasonable manner 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 Securities of any such adjustment and/or amount in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, 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 Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Securities

and that the Substitute Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) make any adjustment to any amount payable under the Securities 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 Securities of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 18, as applicable of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

(iv) 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 any amount payable under the Securities, 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 such amount and/or any other relevant term of the Securities as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the Holders of Securities of any such adjustment in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

(v) Rebasing

If the Calculation Agent determines that the Index has been or will be rebased at any time, the 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 applicable 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 applicable 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 Index before it was rebased and in each case the Calculation Agent may make any adjustment(s) to any amount payable under the Securities 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 Calculation Agent may notify the Issuer and on such notification the Issuer shall redeem each Note or Certificate, or cancel each Warrant, as applicable, on a date notified by the Issuer to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable, in which event the Issuer will pay to each Holder of Securities in respect of each such Security or, if Units are specified in the applicable Final Terms, each Unit, held by him an amount equal to its Early Redemption Amount (in the case of Notes and Certificates) in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates as applicable or the Early Termination Amount (in the case of Warrants) in accordance with Condition 8(c) of the Warrants. Notice of any adjustment, redemption of the Securities or determination pursuant to this paragraph shall be given to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

(vi) Index Modification

(i) 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 (A) if Related Bond is specified as applicable in the applicable Final Terms, make any adjustments to the Index, any Relevant Level and/or any other relevant term of the Securities (including, without limitation, any amount payable under the Securities), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred make only those adjustments to the relevant Index, any Relevant Level and/or any other term of the Securities (including, without limitation, any amount payable under the Securities), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

(ii) 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 (a) 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 Valuation Date such that the provisions of sub paragraph (i) above will apply, or, (b) 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 sub-paragraph (i) above.

(vii) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, it may:

(a) elect, in the case of Warrants only, to calculate the Settlement Price using in lieu of a published level for that Index, a level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to cancellation; or

(b) require the Issuer to redeem each Note or Certificate, or cancel each Warrant, as applicable, and if it so requires, the Issuer shall redeem each Note or Certificate and cancel each Warrant on the date notified by the Issuer to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable, in which event the Issuer will pay to each Holder of Securities in respect of such Security held by him an amount equal to its Early Redemption Amount (in the case of Notes or Certificates) in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable, or its Early Termination Amount (in the case of Warrants) in accordance with Condition 8(c) of the Warrants, as applicable. Notice of any redemption or cancellation, as applicable of the Securities pursuant to this paragraph shall be given to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants, or Condition 19 of the Certificates, as applicable.

(viii) Swap Agreement Determination

Notwithstanding any other provision of this Inflation Linked Condition 3, in making its determinations hereunder, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap

Agreement in relation to such Inflation Index Adjustment Event, Delayed Index Level Event, Index Level Adjustment Correction, Rebased Index, Index Modification, Index Cancellation or event affecting the Specified Currency, as the case may be.

(ix) General

In determining to take a particular action as a result of any of the circumstances set out in Inflation Linked Condition 3(i) to 3(vii) (inclusive) above, the Calculation Agent is under no duty to consider the interests of Holders of Securities or any other person. In making any determination as to which action to take following the occurrence of the aforementioned circumstances, none of the Calculation Agent, the Issuer or the Swap Counterparty shall be responsible for any loss (including liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders of Securities 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.

4. Definitions

"**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.

"**Cut-Off Date**" means, in respect of a Valuation Date, three Business Days prior to such Valuation Date, unless otherwise stated in the applicable Final Terms.

"**Delayed Index Level Event**" means, in respect of any Valuation Date, that the Index Sponsor fails to publish or announce the level of the Index (the "**Relevant Level**") in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer or the Calculation Agent in respect of such Valuation Date, at any time on or prior to the Cut-Off Date.

"**Fallback Bond**" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Maturity Date, the Settlement Date, or the Redemption Date, as applicable, (b) the next longest maturity after the Maturity Date, the Settlement Date, or the Redemption Date, as applicable, if there is no such bond maturing on the Maturity Date, the Redemption Date, or the Settlement Date or (c) the next shortest maturity before the Maturity Date, the Settlement Date, or the Redemption Date, as applicable, if no bond defined in (a) or (b) is selected by the Calculation Agent. If the 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 redemption 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**" or "**Indices**" means the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Index Cancellation**" means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

"**Index Modification**" means 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 Index or in any other way materially modifies the Index.

"**Index Sponsor**" means the entity that publishes or announces (directly or through an agent) the level of the relevant Index which as of the Issue Date of the Securities is the index sponsor in the applicable Final Terms.

"**Rebased Index**" has the meaning given to it under Inflation Linked Condition 3 above.

"**Reference Month**" means the calendar month for which the level of the 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 Relevant Level was reported.

"**Related Bond**" means the bond specified as such in the applicable 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 Maturity Date, Settlement Date, or Redemption Date, as applicable, 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 applicable Final Terms, at any time prior to the Maturity Date, Settlement Date or Redemption Date, as applicable, (i) the Related Bond is redeemed, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) 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**" has the meaning given to it in the definition of Delayed Index Level Event.

"**Strike Date**" means the date specified as such in the applicable Final Terms;

"**Successor Index**" has the meaning given to it in under Inflation Linked Condition 2 above.

"**Substitute Index Level**" means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Inflation Linked Condition 1 above.

"**Valuation Date**" means the date (in the case of Warrants) or the Interest Valuation Date and/or Redemption Valuation Date (in the case of Notes and Certificates) specified in the applicable Final Terms.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY LINKED SECURITIES

*The terms and conditions applicable to Currency Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Currency Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Currency Linked Conditions, the Currency Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Currency Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

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 Linked 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;

"**FX 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**FX Digital Level**" means:

(a) if FX Digital Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all the FX Averaging Dates;

(b) if Single Resettable Level is specified as applicable in the applicable Final Terms, the Settlement Price on the FX Digital Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or

(c) if Multiple Resettable Level is specified as applicable in the applicable Final Terms, in respect of a Resettable Period, the Settlement Price on the FX Digital Observation Date specified for such Resettable Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"**FX Digital Observation Date**" means each date specified as such in the applicable Final Terms or, if any such date 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**FX Knock-in Level**" means:

(a) if Knock-in Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-in Averaging Dates;

(b) if Single Resettable Knock-in is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-in Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or

(c) if Multiple Resettable Knock-in is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-in Period, the Settlement Price on the Knock-in Observation Date specified for such Resettable Knock-in Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"**FX Knock-out Level**" means:

(a) if Knock-out Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-out Averaging Dates;

(b) if Single Resettable Knock-out is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-out Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

(c) if Multiple Resettable Knock-out is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-out Period, the Settlement Price on the Knock-out Observation Date specified for such Resettable Knock-out Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"**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 Swap Counterparty to obtain a firm quote for such currency in an amount deemed necessary by the

Swap Counterparty 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);

"**Knock-in 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Knock-out 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Knock-in Observation 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Knock-out Observation 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**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 Linked 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;

"**Resettable Knock-in Period**" means the period specified as such in the applicable Final Terms;

"**Resettable Knock-out Period**" means the period specified as such in the applicable Final Terms;

"**Resettable Period**" means the period specified as such in the applicable Final Terms;

"**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 Day, Strike Date, FX Averaging Dates, FX Digital Observation Date, Knock-in Averaging Date, Knock-out Averaging Date, Knock-in Observation Date, Knock-out Observation 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 unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisionsor, 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 Currency Security Condition 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Strike Day**" means each date specified as such in the applicable Final Terms or, if any such date 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 Linked Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Strike Period**" means the period specified as such in the applicable Final Terms;

"**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 succeeding Scheduled Trading Day 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 Linked 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

"**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.

2. Disruption Events

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; or

(d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c).

The Calculation Agent shall give notice as soon as practicable to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 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 when a Disruption Event occurs or exists on a day that is 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 and Certificates) below.

(a) if any Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant 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 Strike Day) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Settlement Price Date 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 Settlement Price Date (irrespective of whether that last consecutive Scheduled Trading Day is already a Settlement Price Date) and may determine the relevant value, level or price by using commercially reasonable efforts to determine a level for the Subject Currency 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 any Settlement Price Date is a Disrupted Day but is not the final Valuation Date on giving notice to Warrantholders in accordance with Condition 17 of the Warrants, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to its Early Termination Amount in accordance with Condition 8(c) of the Warrants. Payment shall be made in such manner as shall be notified to the Warrantholders in accordance with Condition 17 of the Warrants; or

(c) in the case of Notes and Certificates:

(i) if 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 Noteholders in accordance with Condition 18 of the Notes, or to Certificateholders in accordance with Condition 19 of the Certificates, as applicable, the Issuer shall redeem all but not some only of the Notes or the Certificates, as applicable, each such Note or Certificate being redeemed by payment of an amount equal to its Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 of the Notes or to the Certificateholders in accordance with Condition 19 of the Certificates; or

(ii) if 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, on the Maturity Date (in the case of Notes) or on the Redemption Date (in the case of Certificates) the Issuer shall redeem each Note or Certificate, as applicable, at an amount calculated by the Calculation Agent equal to the sum of (x) the Protected Amount (specified in the applicable Final Terms) and (y) the Swap Early Termination Amount (if any).

For the purposes of this Currency Linked Condition 3(c)(ii) "**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata share* of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the

termination of the Swap Agreement in whole or in part and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure).

(d) Notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related to such 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 Maturity Date, Settlement Date or Redemption 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.

(e) Notwithstanding any other provision of this Currency Linked Condition 3, in making its determinations hereunder, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar adjustment, calculation or determination made in respect of the relevant Swap Agreement in relation to such Disruption Event.

(f) In determining to take a particular action as a result of a Disruption Event, the Calculation Agent is under no duty to consider the interests of any Holders of Securities or any other person. In making any determination as to which action to take following the occurrence of a Disruption 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 of Securities 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.

4. Settlement Price

"**Settlement Price**" means in respect of a Subject Currency and a Settlement Price Date, and subject to Currency Linked Condition 3 above, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on such Settlement Price 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, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), provided that if the relevant rate of exchange is derived from two or more rates of exchange, the Settlement Price shall be calculated by the Calculation Agent as provided above acting in good faith and in a commercially reasonable manner on the basis of each such rate of exchange.

ANNEX 8

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

*The terms and conditions applicable to Fund Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Fund Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Fund Linked Conditions and/or the Additional Terms and Conditions, the Fund Linked Conditions and/or the Additional Terms and Conditions (as applicable) shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Fund Linked Conditions and/or the Additional Terms and Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

"**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.

"**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, EUR50,000,000 or (ii) a Hedge Fund, EUR50,000,000, or the equivalent in any other currency.

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Fund Business Day, the immediately following Fund Business Day.

"**Basket Trigger Event**" means that an Extraordinary Fund Event has occurred 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, means 50 per cent.

"**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 Settlement Date, Maturity Date, Redemption Date, the Automatic Early Redemption Date, the Scheduled Exercise 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 good faith and in a commercially reasonable manner.

"**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 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 a 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, and (ii) 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 by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation 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, and (ii) 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 by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Date.

"**Fund Business Day (Single Fund Share Basis)**" means with respect to a Fund Share, a date (i) that is a Fund Valuation Date, and (ii) 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 by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation 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 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 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 adviser, 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 alia*, the Issuer, the Guarantor (if applicable), the Swap Counterparty, the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities and/or the Swap Counterparty's obligations in respect of the Swap Agreement 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 (i) hold or be deemed to hold such number of Fund Shares, or (ii) 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 investor in Fund Shares which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding the relevant number of Fund Shares at the relevant time (as determined by the Calculation Agent in the context of the relevant situation). 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 Swap Counterparty, the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"**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 a Fund Business Day, (i) the net asset value per Fund Share as of the related Fund Valuation Date, as reported 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 related 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 having violated any leverage restriction that is applicable to, or affects, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government, 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.

"**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.

"**Observation Date**" means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Fund Business Day, the immediately following Fund Business Day.

"**Observation Period**" means the period specified as the Observation Period in the applicable Final Terms.

"**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.

"**Scheduled Trading Day**" means, if the Securities are Hybrid Securities and Hybrid Business Day is specified as applicable in the applicable Final Terms, for the purpose of determining whether a day is a Hybrid Business Day, a Fund Business Day;

"**Settlement Price Date**" means the Strike Date, an Averaging Date, an Observation Date or the Valuation Date, as the case may be.

"**Strike Date**" means the Strike Date specified as such in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

"**Strike Day**" means each date specified as such in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

"**Swap Early Termination Amount**" means an amount (if any) equal to, in respect of each Note or Certificate, and subject to a minimum of zero, a *pro rata* share of the sum of (1) the Early Termination Amount (as defined in the Swap Agreement) received by the Issuer under the Swap Agreement in connection with the termination of the Swap Agreement in whole or in part, and (2) any interest which has accrued in respect of the amount of such Early Termination Amount received by the Issuer (which may be a positive or negative figure);

"**Strike Period**" means the period specified as such 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 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:

(x) in respect of Notes and Certificates, an amount per Note or Certificate determined as:

(i) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the sum of:

(1) the Protected Amount; and

(2) the Swap Early Termination Amount;

(ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is not specified as being applicable in the applicable Final Terms, the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates; or

(y) in the case of Warrants, an amount per Warrant equal to the Early Termination Amount in accordance with Condition 8(c) of the Warrants.

"**Termination Date**" means (i) the date determined by the Calculation Agent and specified in the notice given to Holders of Securities in accordance with Fund Linked Condition 4.2(c), or (ii) in the case of Notes, if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Maturity Date, or (iii) in the case of Certificates, if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Redemption Date.

"**Trade Date**" has the meaning given to it in the applicable Final Terms.

"**Valuation Date**" means (i) in respect of the Notes and Certificates, the Interest Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day and (ii) in respect of the Warrants, the first Fund Business Day following the Actual Exercise Date of the relevant Warrant.

"**Valuation Time**" means the Valuation Time specified in the applicable Final Terms.

2. Extraordinary Fund Events

Subject to the provisions of Fund Linked 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 any 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 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 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 the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, 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 determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, 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 the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, 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 the Calculation Agent determines, at any time, that (i) 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 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 good faith and in a commercially reasonable manner, 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 it or any of its Affiliates 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 or cost 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 it or any of its Affiliates 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 (or the combined effect thereof if occurring more than once)) 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 Swap Counterparty's obligations under the Swap Agreement or 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 or the Swap Counterparty (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 in the case of Securities linked to a Fund Basket, a Basket Trigger Event occurs;

2.34 the Fund or any Fund Service Provider defaults under, materially modifies, or terminates any rebate agreements in place with the Hedge Provider or any of its Affiliates;

2.35 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;

2.36 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

2.37 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 Ltd., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Credit Market Services Europe Limited, 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 Linked 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; and

(ii) "**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 Calculation Agent shall determine which Extraordinary Fund Event is to be triggered in accordance with any equivalent determination made in respect of the relevant Swap Agreement.

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 shall give notice (an "**Extraordinary Fund Event Notice**") to the Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 the Calculation Agent has determined to take in respect of the Extraordinary Fund Event pursuant to Fund Linked Condition 4.2 below. Where the action that the Calculation Agent has determined to take is not, for whatever reason, set out in the Extraordinary Fund Event Notice, the action that it has determined to take shall be set out in a subsequent notice given to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 of Securities or any other person in connection with the Securities as a result of any delay in notifying Holders of Securities 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 Calculation Agent has determined the action that the Issuer is to take pursuant to Fund Linked Condition 4.2 below.

4.2 Following the occurrence of an Extraordinary Fund Event, the Calculation Agent shall (i) to the extent that an equivalent adjustment or substitution or determination to take no action, as the case may be, has been made in respect of the relevant Swap Agreement, take the action described in (a) or (b) below or (ii) in the event that the circumstances giving rise to such Extraordinary Fund Event result in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action set out in (c) below, 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 Linked Condition 5 below, the Calculation Agent shall determine that the action to be taken in respect of the Extraordinary Fund Event is "**Termination**".

(a) Adjustment

If the Calculation Agent, in good faith and in a commercially reasonable manner, determines that the action to be taken by the Issuer in respect of the Extraordinary Fund

Event is to be "Adjustment", then the Calculation Agent may determine, in good faith and in a commercially reasonable manner, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Share and/or the Weighting and/or any of the other terms of these Fund Linked Conditions and/or the applicable Final Terms to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

(b) Substitution

If the Calculation Agent, in good faith and in a commercially reasonable manner, determines that the action to be taken by the Issuer 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 good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner; and

(iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Calculation Agent may, in good faith and in a commercially reasonable manner, make such determinations and/or adjustments to these Fund Linked Conditions and/or the applicable Final Terms as it determines to be appropriate to take account of such Substitution.

(c) Termination

If the Calculation Agent determines, in good faith and in a commercially reasonable manner, that the action to be taken by the Issuer in respect of the Extraordinary Fund Event is to be "Termination", on giving notice to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 applicable Termination Date), all but not some only of the outstanding Fund Linked Securities shall be redeemed (in the case of Notes and Certificates) or cancelled (in the case of Warrants) by payment to the Holders of Securities of the Termination Amount on, or as soon as reasonably practicable thereafter, the Termination Date. Payments will be made in such manner as shall be notified to the Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable.

(d) General

Notwithstanding any other provision of this Fund Linked Condition 4, in making its determinations under this Fund Linked Condition 4.2 above, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or selection or any other adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Extraordinary Fund Event.

In determining to take a particular action as a result of an Extraordinary Fund Event, the Calculation Agent is under no duty to consider the interests of any Holders of Securities 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 of Securities 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 / Premium Amount Payment Date / Settlement Date / Redemption Date / Maturity Date / Automatic Early Redemption Date / Automatic Early Expiration Date / Termination 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, Maturity Date, Automatic Early Redemption Date, Automatic Early Expiration Date, or Termination 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, Maturity Date, Automatic Early Redemption Date, Automatic Early Expiration Date, or Termination Date, as the case may be, and notify the Holders thereof in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable.

As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 Securities of the Cash Settlement Amount, the Final Redemption Amount, Automatic Early Redemption Amount, or the Automatic Early Expiration Payout 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 of Securities thereof in accordance with the procedures set out in Fund Security Condition 4 above, and in accordance with Condition 18 of the Notes or Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable and the provisions of Fund Linked Condition 4.2(c) shall apply.

In the case of interest bearing Securities or Certificates which pay a Premium Amount, if on the date falling two Business Days prior to an Interest Payment Date or Premium Amount Payment Date, as applicable, 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 notify the Holders in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as the

case may be, that such Interest Payment Date or Premium Amount Payment Date, as the case may be, has been postponed. As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as the case may be, (such notice the "**Delayed Payment Notice**" and the Issuer shall pay the Interest Amount or Premium Amount in respect of the Interest Period or Premium Amount Period, as the case may be, ending on or immediately preceding the Interest Payment Date or Premium Amount Payment Date, as the case may be, on the date falling more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Payment 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 the (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 of Securities thereof in accordance with the procedures set out in Fund Linked Condition 4 above, and in accordance with Condition 18 of the Notes or Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable, and the provisions of Fund Linked Condition 4.2(c) shall apply.

ANNEX 9

ADDITIONAL TERMS AND CONDITIONS FOR UNDERLYING INTEREST RATE LINKED SECURITIES

*The terms and conditions applicable to Underlying Interest Rate Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11), and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11) as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Underlying Interest Rate Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Underlying Interest Rate Linked Conditions and/or the Additional Terms and Conditions, the Underlying Interest Rate Linked Conditions and/or the Additional Terms and Conditions (as applicable) shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Underlying Interest Rate Linked Conditions and/or the Additional Terms and Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. **Underlying Interest Rate Determination**

In respect of each Underlying Interest Determination Date specified in the applicable Final Terms, the Underlying Interest Rate or, if two or more Underlying Interest Rates are specified in the applicable Final Terms, each Underlying Interest Rate will be determined in the manner specified in the applicable Final Terms. Each Underlying Interest Rate comprising a Multiple Underlying Interest Rate will be calculated separately and independently as provided below and in the applicable Final Terms.

2. ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate will be the relevant Underlying ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Underlying Margin (if any) specified in the applicable Final Terms. For the purposes of these Underlying Interest Rate Linked Conditions, "**Underlying ISDA Rate**" 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 (as defined in the ISDA Definitions) 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:

(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 as specified in the applicable Final Terms.

For the purposes of these Underlying Interest Rate Security Conditions, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

3. Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate 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 Underlying 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 Underlying Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Underlying 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.

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, the Calculation Agent will determine the Underlying Reference Rate as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and using its reasonable judgment.

4. Determination of Underlying Interest Rate

The Calculation Agent will, on or as soon as practicable after each date on which the Underlying Interest Rate is to be determined, which if the Securities are Hybrid Securities and Hybrid Business Day is specified as applicable in the applicable Final Terms, will be deemed to be a Scheduled Trading Day for the purposes of determining whether such day is a Hybrid Business Day (the "**Underlying Interest Determination Date**"), determine the Underlying Reference Rate (subject to any Minimum Underlying Reference Rate or Maximum Underlying Reference Rate specified in the applicable Final Terms). The Calculation Agent will notify the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, of the Underlying Reference Rate as soon as practicable after calculating the same.

5. Minimum and/or Maximum Underlying Reference Rate

If the applicable Final Terms specifies a Minimum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Linked Security Conditions 2 or 3 above (as appropriate) is less than such Minimum Underlying Reference Rate, the Underlying Reference Rate shall be such Minimum Underlying Reference Rate.

If the applicable Final Terms specifies a Maximum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate Linked Conditions 2 or 3 above (as appropriate) is greater than such Maximum Underlying Reference Rate, the Underlying Reference Rate shall be such Maximum Underlying Reference Rate.

ANNEX 10

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

*The terms and conditions applicable to Credit Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11) and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11), as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**Credit Linked Conditions**") and any other additional Terms and Conditions that may be specified in the Final Terms (the "**Additional Terms and Conditions**") in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Credit Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

Part A (2014 Definitions)

The provisions of this Part A apply in relation to Credit Linked Securities unless the Final Terms of such Credit Linked 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 Linked Securities, being Single Reference Entity Credit Linked Securities, Nth-to-Default Credit Linked Securities or Linear Basket Credit Linked 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 Linked Notes) the Maturity Date or (in the case of Credit Linked Certificates) the Redemption 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 Linked 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 Linked Conditions shall take effect subject to the provisions thereof.

(d) Linear Basket Credit Linked Securities

If the Credit Linked Securities are Linear Basket Credit Linked Securities, then the provisions of these Credit Linked Conditions relating to redemption or settlement of Credit Linked Securities following the occurrence of an Event Determination Date, extension of maturity of Credit Linked 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 Linked Certificates) the Redemption Date or, (in the case of Credit Linked Notes) the Maturity Date shall apply separately with respect to each Reference Entity and a portion of each Credit Linked Security corresponding to the Reference Entity Notional Amount divided by the number of Credit Linked Securities then in issue. The remaining provisions of these Credit Linked Conditions shall be construed accordingly.

2. Redemption

(a) Redemption absent Event Determination Date

The Issuer will redeem each Credit Linked Security 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 Linked Securities, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

(A) the Credit Linked Securities have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Linked 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 Linked Securities in accordance with Credit Linked Condition 2(b).

(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 Linked Note or Credit Linked Certificate (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) will be subject to redemption and 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 nominal amount or outstanding notional amount of each Credit Linked Security corresponding to the (in the case of Credit Linked Notes) Calculation Amount or (in the case of Credit Linked Certificates) 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 the Swap Counterparty so elects on or prior to a related Valuation Date or Delivery Date, redeem or settle, as applicable, the Credit Linked Securities in accordance with this Credit Linked Condition 2(b)(A) by Auction Settlement;

(B) if the applicable Settlement Method is Physical Settlement, in accordance with Credit Linked 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 nominal amount or outstanding notional amount of each Credit Linked Security corresponding to the (in the case of Credit Linked Notes) Calculation Amount or (in the case of Credit Linked Certificates) Notional Amount) of the Credit Event Cash Settlement Amount on the Cash Settlement Date.

Where the Credit Linked Securities are Nth-to-Default Credit Linked Securities, an Event Determination Date shall be deemed not to occur with respect to the Credit Linked Securities until an Event Determination Date occurs with respect to the Nth Reference Entity. Where the Credit Linked Securities are Nth-to-Default Credit Linked Securities and an Event Determination Date occurs with respect to more than one Reference Entity on the same day, the Swap Counterparty shall determine the order in which such Event Determination Dates occurred.

(c) Redemption following a Merger Event

If this Credit Linked 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 shall give notice if requested to do so by the Swap Counterparty to the holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, as applicable, and redeem all but not some only of the Credit Linked Securities on the Merger Event Redemption Date, and if the Credit Linked Securities are so redeemed or, as the case may be, cancelled, the Issuer shall pay an amount to each Holder of Securities in respect of each Credit Linked Security, which amount shall be the fair market value of the Credit Linked Security taking into account the Merger Event less, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Issuer and/or the Swap Counterparty 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, at the Calculation Agent's election, redeem (or settle, as applicable) the Credit Linked Securities by giving notice to holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, as applicable. If the Credit Linked Securities are so redeemed (or settled, as applicable), the Issuer will pay an amount to each Holder of Securities in respect of each Credit Linked Security equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable. Payments will be made in such manner as shall be notified to the Holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, as applicable.

(e) Suspension of Obligations

If there is a DC Credit Event Question in relation to any Reference Entity, then (unless the Swap Counterparty otherwise elects by notice to the Issuer, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, the Calculation Agent and the Trustee) 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 Linked Security (including pursuant to Credit Linked 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, any other provisions pertaining to settlement and any related obligation of the Swap Counterparty under the Credit Default Swap Agreement) 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 Linked Security (including pursuant to Credit Linked Condition 2(b)) (and the timing requirements of the Cash Settlement Date, Valuation Date, Relevant Valuation Date, NOPS Cut-off Date, Physical Settlement Period, 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 (and any related obligation of the Swap Counterparty under the Credit Default Swap Agreement) 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, neither the Issuer nor the Swap Counterparty shall not be obliged to, nor entitled to, take any action in connection with the settlement of any credit derivative transaction to which the Credit Default Swap Agreement relates or the Credit Linked 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 Linked 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, the Swap Counterparty 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 Linked 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 Linked Condition 2(e).

(f) Miscellaneous provisions relating to Redemption or Settlement

If the Credit Linked Securities are partially redeemed or settled, the relevant Credit Linked Securities or, if the Credit Linked Securities are represented by a Global Note or Global Certificate, such Global Note or Global Certificate, 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 Linked Security shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption or settlement of any Credit Linked Security in accordance with this Credit Linked 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 Linked Condition 2(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

3. Interest

(a) Cessation of Interest Accrual

Upon the occurrence of an Event Determination Date in respect of any Reference Entity, interest on such Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof 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 applicable Final Terms, such Event Determination Date.

(b) Interest following the Maturity Date or Redemption Date, as applicable

Subject always to Credit Linked Condition 3(a), if an Extension Notice has been given (other than pursuant to paragraph (d) of the definition of "Extension Notice"), each Credit Linked Security (or, in the case of Linear Basket Credit Linked 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 the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, would pay to an independent customer in respect of overnight deposits in the currency of the Credit Linked 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. Where No Interest Post Scheduled Redemption is specified as applicable in the applicable Final Terms, subject always to Credit Linked Condition 3(a), no interest will accrue or be payable in respect of each Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) which is outstanding following the Maturity Date or Redemption Date, as applicable, 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 Linked Securities are redeemed pursuant to the Terms and Conditions of the Notes or the Terms and Conditions of the Certificates, as applicable, or these Credit Linked 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 Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit Linked Security (or, as applicable, the relevant portion thereof) on such Interest Payment Date.

4. Physical Settlement

(a) Delivery and payment

If Physical Settlement applies to any Credit Linked Security, then, upon the occurrence of an Event Determination Date, the Issuer and the Swap Counterparty shall, on or prior to the related Physical Settlement Date and subject to Credit Linked Conditions 4(b), 4(c) and 4(f), settle the credit derivative transaction evidenced by the Credit Default Swap Agreement (if any) and the Issuer shall redeem such Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof), respectively, by:

(A) Delivering (or, in the case of the Issuer, procuring that the Swap Counterparty Delivers) 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 and/or the Swap Counterparty, it is impossible or illegal for the Issuer or the Swap Counterparty to Deliver or, due to an event beyond the control of the Issuer or any Holder of Securities, it is impossible or illegal for the Issuer or the relevant Holder of Securities 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 or procure that the Swap Counterparty Delivers 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 Swap Counterparty shall pay the Issuer and the Issuer shall pay the relevant Holders of Securities an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant holders of Securities on the Partial Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer and/or the Swap Counterparty 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 Linked 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 or the Credit Default Swap Agreement and the Issuer and/or the Swap Counterparty 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 Swap Counterparty shall pay to the Issuer and the Issuer shall pay to the holders of Securities an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the Holders of Securities on the Partial Cash Settlement Date.

(d) Aggregation and Rounding

Where a Holder of Securities holds Credit Linked Notes or Credit Linked Certificates in an aggregate nominal amount outstanding or 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 Linked Security shall be aggregated for the purposes of this Credit Linked Condition 4. If the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit Linked Security to be redeemed pursuant to this Credit Linked 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 Linked 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 Linked Condition 4 shall be made in such manner as the Swap Counterparty on behalf of 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 the Swap Counterparty and/or any of their 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 of Securities, 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 of Securities; and

(B) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Holders of Securities or the Swap Counterparty, 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 of Securities have been paid to the satisfaction of the Issuer and the Swap Counterparty.

(f) Asset Transfer Notice

A Holder of Securities will not be entitled to any of the amounts or assets specified as being due to it in this Credit Linked Condition 4(f) upon the occurrence of an Event Determination Date and delivery of the Notice of Physical Settlement unless it has presented or surrendered (as is appropriate) the relevant Credit Linked Security and delivered an Asset Transfer Notice in accordance with Condition 6(b)(i)(A) (*Asset Transfer Notices*) of the Notes and Condition

6(b)(i)(A) (*Asset Transfer Notices*) of the Certificates, as applicable. For so long as the Credit Linked Securities are held in any clearing system, any communication from such clearing system on behalf of the holder of Securities containing the information required in an Asset Transfer Notice will be treated as an Asset Transfer Notice. For as long as Bearer Notes or Clearing System Certificates, as the case may be, are represented by a Global Note or Global Certificate, surrender of Credit Linked Securities for such purpose will be effected by presentation of the Global Note or Global Certificate and its endorsement to note the principal amount or notional amount of Credit Linked Securities to which the relevant Asset Transfer Notice relates.

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 applicable 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 applicable 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 Linked 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 Linked Condition 8(b) (*Mod R*) and Credit Linked 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 Linked Securities for which:

(i) "Physical Settlement" is specified to be the Settlement Method in the applicable 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 applicable 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 applicable Final Terms (or if Cash Settlement is applicable as the Fallback Settlement Method), and:

(A) "Include Accrued Interest" is specified in the applicable 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 applicable 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 applicable 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 Linked Condition 4(b) (*Partial Cash Settlement Due to Impossibility or Illegality*) or Credit Linked 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 Linked Securities are Single Reference Entity Credit Linked Securities and a Succession Date has occurred and more than one Successor has been identified, the credit derivative transaction relating to the Credit Default Swap Agreement will be deemed for all

purposes to have been divided, with effect from the Succession Date, into the same number of new credit derivative transactions 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 derivative transactions;

(ii) in respect of each deemed new credit derivative transaction, 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 derivative transactions will be replicated in each deemed new credit derivative transaction 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 derivative transactions in the deemed new credit derivative transactions and the Credit Linked Securities (considered in aggregate).

(c) Nth-to-Default

Where the Credit Linked Securities are Nth-to-Default Credit Linked 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, the credit derivative transaction evidenced by the Credit Default Swap Agreement will be deemed for all purposes to have been divided, with effect from the Succession Date, into a number of new credit derivative transactions equal to the number of Successors. Each such new credit derivative transaction shall include a Successor and each and every one of the unaffected Reference Entities and the provisions of Credit Linked 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 Linked Securities are Linear Basket Credit Linked 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 Default Swap Agreement and these Credit Linked Conditions which it determines may be required to preserve the economic effects of the Swap Agreement and the Credit Linked Securities prior to the Succession Date (considered in the aggregate). For the avoidance of doubt, the Calculation Agent may not, without the consent of the Issuer and the Trustee, amend any of the terms and conditions of the Credit Linked Securities other than these Credit Linked Conditions; 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 applicable 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 Linked 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 Linked 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

Upon the occurrence of an M(M)R Restructuring with respect to a Reference Entity:

(i) the Swap Counterparty 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 Linked 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 Linked 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 Default Swap Agreement and Credit Linked Securities are deemed to have been divided into new credit derivative transactions or Credit Linked Securities respectively pursuant to Credit Linked Condition 6).

If any Credit Linked Security is subject to partial settlement in accordance with this Credit Linked Condition 8, the relevant Credit Linked Security or, if the Credit Linked Securities are represented by a Global Note or Global Certificate, such Global Note or Global Certificate shall be endorsed to reflect such partial settlement.

(b) Mod R

If (i) "Physical Settlement" or "Cash Settlement" is specified to be the Settlement Method in the applicable 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 Swap Counterparty 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 applicable 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 Swap Counterparty 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 or the Swap Counterparty shall, as soon as reasonably practicable, notify the relevant Holders of Securities of such refusal (or deemed refusal) and:

(i) each such holder of Securities may designate a third party (which may or may not be an Affiliate of such holder of Securities) to take Delivery of the Deliverable Obligation on its behalf; and

(ii) if a holder of Securities 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 Linked Securities for which Delivery has not occurred, by payment of the relevant Partial Cash Settlement Amount to such holder of Securities. For the avoidance of doubt Credit Linked 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 Linked 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 Linked 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 Linked Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the holders of Securities. 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 Linked 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 Swap Counterparty, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, 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 Linked 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 Linked 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 Linked 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, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Swap Counterparty 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 Linked Condition 9(c) any of the terms and conditions of the Credit Linked Securities other than the Credit Linked 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 Linked Conditions.

This Credit Linked Condition 9(c) shall apply unless the applicable Final Terms specify 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 Swap Counterparty, the Issuer shall promptly inform, or shall procure that the Swap Counterparty informs the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, 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 Linked 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, the Swap Counterparty 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 of Securities on or prior to such day, then following notification of the determination of an Excess Amount to the Issuer and Holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, as applicable, the Issuer may deduct any such Excess Amount from future payments in relation to the Credit Linked Securities (whether interest or principal) or may reduce the amount of any assets deliverable under the terms of the Credit Linked Securities to the extent that it determines, acting reasonably, to be necessary to compensate for such Excess Amount.

(g) Disposal of Charged Assets

Following the occurrence of an Event Determination Date in respect of any Reference Entity, unless the Issuer is required or entitled to deliver a selected portion of the Charged Assets to the Swap Counterparty or the Repo Counterparty, respectively, under the terms of the Credit Default Swap Agreement, the Repurchase Agreement, or any other Swap Agreement relating to the Credit Linked Securities, as applicable, or as otherwise specified in the Final Terms, the Redemption Agent shall, on behalf of the Issuer, use reasonable efforts to dispose of the Charged Assets (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) in accordance with Credit Linked Condition 9(h) for settlement not later than one Credit Security Business Day prior to the date on which the related Reference Entity Notional Amount of each Credit Linked Security is due to be redeemed save where the relevant Charged Asset is a Deposit Agreement and the Issuer will receive payment of an amount from the Deposit Counterparty at least equal to the relevant redemption amount on or prior to the date on which the related Reference Entity Notional Amount of each Credit Linked Security is due to be redeemed.

(h) Sale of Charged Assets

Where the Redemption Agent is required to dispose of any Charged Assets on behalf of the Issuer in order to redeem the Credit Linked Securities as set out in Credit Linked Condition 9(g), then:

(i) the Redemption Agent shall seek firm bid quotations from at least three dealers in assets such as the relevant Charged Assets (and, for such purpose, it may seek quotations in respect of such Charged Assets in their entirety or in respect of designated tranches thereof, as it considers appropriate);

(ii) the Redemption Agent may itself provide a bid in respect of the relevant Charged Assets or any tranche thereof;

(iii) it shall and shall be authorised to accept on behalf of the Issuer in respect of each relevant tranche or, as applicable, the entirety of the relevant Charged Assets the highest such quotation so obtained (which may be a quotation of the Redemption Agent); and

(iv) the net proceeds of sale of the relevant Charged Assets shall be paid into the Compartment Account and applied to meet the Issuer's obligations in respect of the Credit Linked Securities, the Swap Agreements and, if applicable, the Repurchase Agreement.

(i) Provisions Relating to Timing

Subject to Credit Linked Condition 9(e) and Credit Linked Condition 9(j), in order to determine the day on which an event occurs for purposes of the Credit Linked 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.

(j) Payment Timing

Notwithstanding the "Credit Event Notice" definition and Credit Linked 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.

(k) 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.

(l) No Frustration

In the absence of other reasons, the Credit Linked 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 Linked 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:

(A) 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

(B) 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 Linked 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.

"**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.

"**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 Swap Counterparty in the Auction Settlement Amount Notice.

If "Zero Recovery" is specified in the applicable 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:

$$\text{Auction Settlement Amount} = \text{Max } 0, [(\text{RENA} \times \text{AFP}) - \text{UC} - \text{CAL}]$$

Where:

"**AFP**" means the relevant Auction Final Price;

"**CAL**" means the Charged Assets Loss;

"**RENA**" means the Reference Entity Notional Amount in respect of the relevant Reference Entity; and

"**UC**" means the Unwind Costs (unless the applicable Final Terms specify that the Unwind Costs are not applicable, in which event "**UC**" means zero).

"**Auction Settlement Amount Notice**" means a notice given by the Swap Counterparty to the Issuer, the Trustee and the Calculation Agent 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 Swap Counterparty has elected to apply to the Credit Default Swap Agreement (provided that the Swap Counterparty may only elect to apply any Parallel Auction Settlement Terms (for purposes of which all Deliverable Obligations (as defined in respect of the Final List) on the Final List will be 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 Swap Counterparty of the Auction Settlement Amount Notice (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 Linked Certificates) the Redemption Date or (in the case of Credit Linked Notes) the Maturity Date. For the avoidance of doubt, this shall be without prejudice to Credit Linked 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 Linked Certificates) the Redemption Date or (in the case of Credit Linked Notes) the Maturity Date. For the avoidance of doubt, this shall be without prejudice to Credit Linked 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 Calculation Agent determines that:

(a) the Issuer is unable to perform its obligations in respect of the Credit Linked Securities or it has become illegal for the Issuer, the Swap Counterparty or any of the Swap Counterparty's Affiliates to hold, acquire or dispose of any relevant hedge positions in respect of the Credit Linked Securities; or

(b) the Issuer, the Swap Counterparty or any of the Swap Counterparty's Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Credit Linked Securities in issue or in holding, acquiring or disposing of any relevant hedge positions of the Credit Linked Securities.

"**Charged Assets Loss**" means, in relation to any Charged Assets, an amount equal to:

(a) the price at which such Charged Assets were initially acquired by the Issuer; less

(b) the net proceeds of liquidation of such Charged Assets,

subject to a minimum of zero, provided that, where No Charged Assets Loss is specified as applicable in the applicable Final Terms, the Charged Assets Loss will be equal to zero.

If the Charged Assets are disposed of by the Issuer pursuant to a Repurchase Agreement then the Charged Assets Loss shall be equal to zero.

"**CoCo Supplement**" means the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions, as published by ISDA.

"**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 Default Swap Agreement**" means the credit default swap transaction(s) entered into between the Issuer and the Swap Counterparty in connection with the Credit Linked Securities

provided that if a Credit Default Swap Agreement is not specified as a Related Agreement in the applicable Final Terms, each reference to "Credit Default Swap Agreement" in these Credit Linked Conditions shall be deemed to be a reference to the Swap Agreement.

"**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 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 Linked 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, 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.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**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:

Credit Event Cash Settlement Amount = Max 0, [(RENA x WAFP) - UC - CAL]

Where:

"**CAL**" means the Charged Assets Loss;

"**RENA**" means the relevant Reference Entity Notional Amount;

"**UC**" means the Unwind Costs (unless the applicable Final Terms specify that the Unwind Costs are not applicable, in which event "**UC**" means zero); and

"**WAFP**" means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein.

"**Credit Event Notice**" means an irrevocable notice from the Swap Counterparty (which may be in writing (including by facsimile and/or email and/or by telephone)) in accordance with the Swap Agreement to the Issuer, the Calculation Agent and the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable (with, for information purposes only, a copy in writing of such notice (a "**Copy Notice**") sent to the Trustee; for the avoidance of doubt, failure to deliver a Copy Notice will not invalidate the Credit Event Notice) 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 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 Linked Certificates**" means Certificates linked to the credit of a specified entity or entities.

"**Credit Linked Notes**" means Notes linked to the credit of a specified entity or entities.

"**Credit Linked Securities**" means Credit Linked Notes and/or Credit Linked Certificates.

"**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 Swap Counterparty or its Affiliate and a Holder of Securities 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 Linked Certificates) the Redemption Date or (in the case of Credit Linked Notes) the Maturity Date; or

(b) where the Swap Counterparty delivers an Extension Notice in relation to a Reference Entity is delivered by the Swap Counterparty to the Issuer (copied to the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent) 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 Linked Notes) the Maturity Date or (in the case of Credit Linked Certificates) the Redemption 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 Swap Counterparty to deliver a Credit Event Notice under paragraph (b)(i)(B) or (b)(ii) of the definition of "Event Determination Date".

"**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 21 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 Linked 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 Swap Counterparty 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 Swap Counterparty 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.

"**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 of Securities, 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 of Securities, 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, the Swap Counterparty and each holder of Securities agrees to comply, for the purposes of the settlement of the Swap Agreement and the Credit Linked Securities, 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 and the Swap Counterparty agree, and each Holder of Securities is deemed to further agree, that compliance by the Issuer and the Swap Counterparty 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 none of the Issuer, the Swap Counterparty nor any Holder of Securities shall be permitted to request that any party take nor shall the Issuer, the Swap Counterparty or any Holder of Securities 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 Swap Counterparty or the Calculation Agent on behalf of the Issuer has notified the

Holders of the Securities 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 Linked 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 Swap Counterparty is capable of creating, or procuring the creation of, a contractual right in favour of the Issuer that provides the Issuer 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 the Issuer and either:

(a) the Swap Counterparty (in either case, to the extent that the Swap Counterparty (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 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) (1) the Credit Event is not an M(M)R Restructuring; and

(2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or

(B) (1) the Credit Event is an M(M)R Restructuring; and

(2) a Credit Event Notice is delivered by the Swap Counterparty to the Issuer on or prior to the Exercise Cut-off Date; or

(ii) if so elected by the Swap Counterparty, the first date on which a Credit Event Notice is delivered by the Swap Counterparty 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 15 Business Days Swap Counterparty thereafter,

provided that:

(1) 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;

(2) 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

(3) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Swap Counterparty 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. Where No Prior Event Determination Date is specified as applicable in the applicable Final Terms, no Event Determination Date may occur prior to the Issue Date and any Event Determination Date which would have occurred prior to the Issue Date but for this sentence shall be deemed to have no effect.

"**Excess Amount**" means any amount paid to the Holders of Securities but which was not due on the Credit Linked 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.

"**Excluded Deliverable Obligation**" means:

(a) any obligation of the Reference Entity specified as such or of a type described in the applicable 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 applicable 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 Linked 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.

"**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 the Swap Counterparty and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or the Swap Counterparty 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 Swap Counterparty may determine; and

(b) in the case of a Non-Capped Reference Entity, such date as the Swap Counterparty 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 Maturity Date or Redemption Date, as applicable;

(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) the Swap Counterparty delivers an Extension Notice 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) the Swap Counterparty deliver an Extension Notice under sub-paragraph (c) of the definition thereof.

"**Extension Notice**" means a notice from the Swap Counterparty to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent 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 Swap Counterparty 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) the highest 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.

"**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 the bid 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 Swap Counterparty 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 Swap Counterparty and/or any of its Affiliates to hedge, directly or indirectly, the Swap Counterparty's obligations or positions (whether in whole or in part) in respect of the Credit Default Swap Agreement.

"**Hedging Disruption**" means that the Issuer, the Guarantor, if applicable, or the Swap Counterparty 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 (in the case of the Issuer or the Guarantor) the Credit Linked Securities or (in the case of the Swap Counterparty) the relevant Credit Default Swap Agreement, 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 Linked Securities or the Credit Default Swap Agreement, as determined by the Calculation Agent.

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor, if applicable, or the Swap Counterparty 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, the Guarantor, if applicable, or the Swap Counterparty, or, in the case of the Issuer or the Guarantor, if applicable, issuing and performing its obligations with respect to the Credit Linked Securities, or in the case of the Issuer or the Swap Counterparty, performing its obligations under the Swap Agreement entered into with respect to the Credit Linked 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 Swap Counterparty and/or any of its 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.

"**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 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 Linked 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 Linked Certificates**" means Credit Linked Certificates where the Swap Counterparty purchases credit protection from the Issuer 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 Linked Notes**" means Credit Linked Notes where the Swap Counterparty purchases credit protection from the Issuer 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 Linked Securities**" means Linear Basket Credit Linked Certificates and/or Linear Basket Credit Linked Notes, as the case may be.

"**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.

"**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 Linked Certificates) the Redemption Date or (in the case of Credit Linked Notes) the Maturity Date, a Reference Entity, the Guarantor (if applicable) or the Swap Counterparty consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to a Reference Entity, the Guarantor (if applicable) or the Swap Counterparty, as applicable, or the Guarantor (if applicable) and a Reference Entity or the Issuer and a Reference Entity or the Swap Counterparty 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 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 Swap Counterparty may designate by notice to the Issuer and the Calculation Agent.

"**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 applicable Final Terms specify that "Nth-to-Default Credit Linked 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 Swap Counterparty to the Issuer (copied to the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent) notifying them that the Swap Counterparty 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 Swap Counterparty.

"**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 Swap Counterparty 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 Swap Counterparty to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, the Calculation Agent with a copy to the Holders of Securities 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 Swap Counterparty 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 Swap Counterparty will settle the Credit Default Swap Agreement and the Issuer will redeem the Credit Linked Securities by physical delivery in accordance with Credit Linked Condition 4; and

(ii) contains a detailed description of the Deliverable Obligations that the Swap Counterparty will Deliver to or to the order of the Issuer and the Issuer will Deliver (or procure Delivery of) to the Holders of Securities, 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 Swap Counterparty may, from time to time, deliver to the Issuer (copied to the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and 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, (i) the Swap Counterparty 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 (copied to the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent and the Holders of Securities) (given in the manner specified above) prior to the relevant Delivery Date, and (ii) if Asset Package Delivery is applicable, the Swap Counterparty shall, prior to the Delivery Date, notify the Issuer (copied to the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent with a copy to the Holders of Securities) of the detailed description of the Asset Package, if any, that it intends to Deliver 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 under the Swap Agreement from the Swap Counterparty (which may be by telephone) to the Issuer, the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent (with, for information purposes only, a copy in writing of such notice (a "**Copy Information Notice**") sent to the Trustee; for the avoidance of doubt, failure to deliver a Copy Information Notice will not invalidate the Notice of Publicly Available Information) 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 in the applicable 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 Linked Security and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Swap Counterparty, 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 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 Linked Security; and

(e) the remaining terms as to credit linkage are consistent with the terms of such Credit Linked Security as it relates to such Reference Entity.

"**Nth-to-Default Credit Linked Certificate**" means any First-to-Default Credit Linked Certificate or any other nth-to-default Credit Linked Certificates where the Swap Counterparty purchases credit protection from the Issuer in respect of two or more Reference Entities, as specified in the Final Terms.

"**Nth-to-Default Credit Linked Note**" means any First-to-Default Credit Linked Note or any other nth-to-default Credit Linked Notes where the Swap Counterparty purchases credit protection from the Issuer 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 in the applicable Final Terms.

"**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 Linked 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).

"**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 and Charged Assets Loss (in each case, 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 Swap Counterparty 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 Swap Counterparty may designate pursuant to the Credit Default Swap Agreement, 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 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 Credit Linked Condition 10;

(d) "Section 1.33" shall be deemed to be a reference to Credit Linked Condition 8(a); and

(e) "Section 8.19" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Credit Linked Condition 10.

"**Physical Settlement Period**" means, subject to Credit Linked 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 Swap Counterparty 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 15 Business 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 and/or the Swap Counterparty (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 of Securities to give the Issuer details of accounts for settlement; or a failure of the Holder of Securities to open or procure the opening of such accounts or if the Holders of Securities 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 applicable 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 applicable 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 that is not a party to the relevant Credit Default Swap Agreement (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, the Swap Counterparty 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.

"**Redemption Agent**" means the party specified as such in the applicable Final Terms.

"**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.

"**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 Linked Securities, as the terms of which may be modified pursuant to Credit Linked Condition 6.

"**Reference Entity Notional Amount**" means the amount in which the Swap Counterparty has purchased 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 Linked Notes) the Aggregate Nominal Amount or (in the case of Credit Linked Certificates) the aggregate Notional Amount of the Credit Linked Securities, 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 Linked Conditions 6 and 8.

"**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 Linked Securities on a date as specified by notice to the Trustee, Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable, the Calculation Agent and the Holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, as applicable, on or after the Substitution Event Date, and at an amount (which may be zero) in respect of each Credit Linked Security equal to the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable.

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.

"**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 Swap Counterparty will, subject to Credit Linked Condition 4, Deliver to the Issuer 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 of Securities, 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 of Securities, 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 Linked 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 Linked Certificates) the Redemption Date or (in the case of Credit Linked Notes) the Maturity 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 Linked Certificate**" means Credit Linked Certificates where the Swap Counterparty purchases credit protection from the Issuer in respect of only one Reference Entity.

"**Single Reference Entity Credit Linked Note**" means Credit Linked Notes where the Swap Counterparty purchases credit protection from the Issuer in respect of only one Reference Entity.

"**Single Reference Entity Credit Linked Securities**" means Single Reference Entity Credit Linked Certificates and/or Single Reference Entity Credit Linked Notes as the case may be.

"**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 Linked 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 Linked 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 Linked 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.

"**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 by the holder of Securities to deliver an Asset Transfer Notice, 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.

"**Unwind Costs**" means the cost to the Swap Counterparty and/or the Repo Counterparty (if any) of terminating (in the case of the Swap Counterparty) any Hedge Transaction entered into in connection with interest rate or other derivative transactions evidenced by or comprised in the Swap Agreement and (in the case of the Repo Counterparty) any transaction entered into to fund its obligations under the Repurchase Agreement in whole or part, as determined by the Swap Counterparty in good faith and in a commercially reasonable manner, subject to a minimum of zero provided that, where No Unwind Costs is specified as applicable in the applicable Final Terms, the Unwind Costs will be equal to zero.

"**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 good faith and in a commercially reasonable manner); 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 good faith and in a commercially reasonable manner); 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 good faith and in a commercially reasonable manner).

"**Valuation Obligation**" means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit Linked 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 Swap Counterparty in good faith and in a commercially reasonable manner 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 Swap Counterparty 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 Swap Counterparty 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 Swap Counterparty in good faith and in a commercially reasonable manner)), 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 the bid 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.

11. Amendments to Note Conditions and Certificate Conditions

11.1 Amendments to Note Conditions

The Terms and Conditions of the Notes are amended as follows:

(a) The last 3 paragraphs of Condition 5(a) (*Interest on Fixed Rate Notes*) shall be amended as follows:

"Interest shall be calculated by applying the Rate of Interest to: (A) in the case of Fixed Rate Notes which are represented by a Global Note, the daily average of the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount (or, as applicable, the daily average of the outstanding nominal amount corresponding to the Calculation Amount), multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of Interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount (or, as applicable, for each relevant daily average of the outstanding nominal amount corresponding to such Calculation Amount) comprising the Specified Denomination without any further rounding.

"**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) In paragraph (A) of each of Condition 5(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 5(c)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*), the 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 (B) of each of Condition 5(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 5(c)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*), the reference to "the Calculation Amount" shall be deleted and replaced with "(or, as applicable, the daily average of the outstanding nominal amount corresponding to the Calculation Amount)".

(d) In the last paragraph of each of Condition 5(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 5(c)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*), the reference to "each Calculation Amount" shall be deleted and replaced with "(or, as applicable, for each relevant daily average of the outstanding nominal amount corresponding to such Calculation Amount)".

(e) In Condition 5(k) (*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 7(a) (*Redemption at Maturity*) 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 Linked Security will be redeemed in accordance with the Credit Linked Conditions and the applicable Final Terms.".

11.2 **Amendments to Certificate Conditions**

The Terms and Conditions of the Certificates are amended as follows:

(a) The definition of "Cash Settlement Amount" in Condition 6(a) (*Method of Payment*) shall be amended by adding immediately after the words "the Final Redemption Amount specified in the applicable Final Terms", the following:

"(or, in relation to Credit Linked Securities, the amount specified in the applicable Final Terms)".

(b) The penultimate paragraph of Condition 4(a) (*Interest on Fixed Rate Certificates*) shall be amended as follows:

"Interest shall be calculated by applying the Rate of Interest to the average daily outstanding notional amount of each Certificate and if a Day Count Fraction is specified in the applicable Final Terms 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.".

(c) Each of Condition 4(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 4(c)(iii) (*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 4(j) (*Interest Payments*), the third 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 B (2003 Definitions as supplemented by July 2009 Supplement)

The provisions of this Part B apply in relation to Credit Linked Securities where the Final Terms of such Credit Linked Securities specify that "2003 Definitions (as supplemented by July 2009 Supplement)" shall apply.

1. General

(a) Credit Terms

The Final Terms shall specify:

(i) the type of Credit Linked Securities, being Single Reference Entity Credit Linked Securities, Nth-to-Default Credit Linked Securities or Linear Basket Credit Linked Securities;

(ii) the Settlement Method (if not Auction Settlement) and, where Auction Settlement applies, the applicable Fallback Settlement Method;

(iii) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;

(iv) the Reference Obligation(s) (if any) in respect of each Reference Entity;

(v) the Trade Date and the Maturity Date or Redemption Date, as applicable;

(vi) the Transaction Type applicable to each Reference Entity; and

(vii) 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 Linked 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 Linked Conditions shall take effect subject to the provisions thereof.

(d) Linear Basket Credit Linked Securities

If the Credit Linked Securities are Linear Basket Credit Linked Securities, then the provisions of these Credit Linked Conditions relating to redemption or settlement of Credit Linked Securities and settlement of the Credit Default Swap Agreement following satisfaction of Conditions to Settlement, extension of maturity or the redemption date, as applicable, of Credit Linked Securities on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following the Maturity Date or Redemption Date, as applicable, shall apply separately with respect to each Reference Entity and a portion of each Credit Linked Security corresponding to the Reference Entity Notional Amount divided by the number of Credit Linked Securities then in issue. The remaining provisions of these Credit Linked Conditions shall be construed accordingly.

2. Redemption

(a) Redemption absent satisfaction of Conditions to Settlement

The Issuer will redeem each Credit Linked Security 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 outstanding principal amount (in the case of Notes) or the Cash Settlement Amount (in the case of Certificates), as applicable, of such Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

(i) the Credit Linked Securities have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Linked Conditions 2(b), 2(c) or 2(d)); or

(ii) the Conditions to Settlement have been satisfied, in which event the Issuer shall redeem the Credit Linked Securities in accordance with Credit Linked Condition 2(b).

(b) Redemption following satisfaction of Conditions to Settlement

Upon the satisfaction of the Conditions to Settlement in relation to any Reference Entity, each Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) will be subject to redemption and settlement:

(i) 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 nominal amount or outstanding notional amount of each Credit Linked Security corresponding to the (in case of Credit Linked Notes) Calculation Amount or (in the case of Credit Linked Certificates) 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 the Swap Counterparty so elects on or prior to a related Valuation Date or Delivery Date, redeem or settle, as applicable, the Credit Linked Securities in accordance with this Credit Linked Condition 2(b)(i) by Auction Settlement;

(ii) if the applicable Settlement Method is Physical Settlement in accordance with Credit Linked Condition 4; and

(iii) 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 nominal amount or outstanding notional amount of each Credit Linked Security corresponding to the (in the case of Credit Linked Notes) Calculation Amount or (in the case of Credit Linked Certificates) Notional Amount) of the Credit Event Cash Settlement Amount on the Cash Settlement Date.

Where the Securities are Nth-to-Default Credit Linked Securities, the Conditions to Settlement shall not be satisfied with respect to the Securities until the Conditions to Settlement are satisfied with respect to the Nth Reference Entity. Where the Securities are Nth-to-Default Credit Linked Securities and the Conditions to Settlement are satisfied with

respect to more than one Reference Entity on the same day, the Swap Counterparty shall determine the order in which such Conditions to Settlement were satisfied.

(c) Redemption following a Merger Event

If this Credit Linked 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 shall give notice if requested to do so by the Swap Counterparty to the Holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, as applicable, and redeem all but not some only of the Credit Linked Securities on the Merger Event Redemption Date, and if the Credit Linked Securities are so redeemed or, as the case may be, cancelled, the Issuer shall pay an amount to each holder of Securities in respect of each Credit Linked Security, which amount shall be the fair market value of the Credit Linked Security taking into account the Merger Event less, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Issuer and/or the Swap Counterparty 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, at the Calculation Agent's election, may redeem (or settle, as applicable) the Credit Linked Securities by giving notice to Holders of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, as applicable. If the Credit Linked Securities are so redeemed (or settled, as applicable), the Issuer will pay an amount to each holder in respect of each Credit Linked Security equal to the fair market value of such Credit Linked Security taking into account the Additional Credit Linked Security Disruption Event, less, unless No Unwind Costs is specified as applicable in the applicable Final Terms, the cost to the Issuer and/or the Swap Counterparty 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 of Securities in accordance with Condition 18 of the Notes or Condition 19 of the Certificates, 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 Swap Counterparty otherwise elects by written notice to the Issuer, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, the Calculation Agent and the Trustee) 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 Linked Security (including pursuant to Credit Linked Condition 2(b)) or pay any amount of interest which would otherwise be due thereon (and any related obligation of the Swap Counterparty under the Credit Default Swap Agreement) 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 Linked Security (including pursuant to Credit Linked Condition 2 insofar as it relates to the

relevant Reference Entity, or pay any amount of interest which would otherwise be due thereon (and any related obligation of the Swap Counterparty under the Credit Default Swap Agreement) 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:

(i) the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date"; or

(ii) not to determine such matters.

During such suspension period, neither the Issuer nor the Swap Counterparty shall be obliged to, nor are they entitled to, take any action in connection with the settlement of any credit derivative transaction to which the Credit Default Swap Agreement relates or the Credit Linked 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 Linked 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 specify 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 paragraphs (i) and (ii) 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 Swap Counterparty and 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 Linked 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 principal which is deferred in accordance with this Credit Linked Condition 2(c).

(f) Miscellaneous provisions relating to redemption or settlement

If the Credit Linked Securities are partially redeemed or settled, the relevant Credit Linked Securities or, if the Credit Linked Securities are represented by a Global Note or Global Certificate, such Global Note or Global Certificate, shall be endorsed to reflect such partial redemption or settlement. Upon such partial redemption or settlement, the outstanding principal amount or outstanding notional amount of each Credit Linked Security, as the case may be, shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption or settlement of any Credit Linked Security in accordance with Credit Linked Condition 2(b), 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 Linked Condition 2(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

3. Interest

(a) Cessation of Interest Accrual

Upon the occurrence of an Event Determination Date in respect of any Reference Entity, interest on such Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) shall cease to accrue with effect from and including either:

(i) the Interest Payment Date, or 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

(ii) if so specified in the applicable Final Terms, such Event Determination Date.

(b) Interest following the Maturity Date or Redemption Date, as applicable

Subject always to Credit Linked Condition 3(a), if an Extension Notice has been given, (other than pursuant to paragraph (d) of the definition of "Extension Notice") each Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) which is outstanding following the Maturity Date or Redemption Date, as applicable, shall continue to bear interest from (and including) the Maturity Date or Redemption Date, as applicable, to (but excluding) the related Credit Security Settlement Date at a rate of interest equal to either:

(i) the rate that the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, would pay to an independent customer in respect of overnight deposits in the currency of the Credit Linked Securities; or

(ii) 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 Maturity Date or Redemption Date, as applicable, to (but excluding) the related Credit Security Settlement Date. Where No Interest Post Scheduled Redemption is specified as applicable in the applicable Final Terms, subject always to Credit Linked Condition 3(a), no interest will accrue or be payable in respect of each Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) which is outstanding following the Maturity Date or Redemption Date, as applicable, 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 Linked Securities are redeemed pursuant to, in the case of Notes, the "Terms and Conditions of the Notes" or, in the case of Certificates, the "Terms and Conditions of the Certificates", as applicable, or these Credit Linked Conditions, the Maturity Date or Redemption Date, as applicable, the Credit Security Settlement Date (if not the Maturity Date or Redemption Date, as applicable), 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 Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit Linked Security (or, as applicable, the relevant portion thereof) on such Interest Payment Date.

4. Physical Settlement

(a) Delivery and payment

If Physical Settlement applies to any Credit Linked Security, then, upon the satisfaction of the related Conditions to Settlement, the Swap Counterparty and Issuer shall, on or prior to the related Physical Settlement Date and subject to Credit Linked Conditions 4(b), 4(c) and 4(f), settle the credit derivative transaction evidenced by the Credit Default Swap Agreement and redeem such Credit Linked Security (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof), respectively, by:

(i) Delivering (or, in the case of the Issuer, procuring that the Swap Counterparty Delivers) a *pro rata* share of the Deliverable Obligations specified in the related Notice of Physical Settlement; and

(ii) 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 and/or the Swap Counterparty, it is impossible or illegal for the Issuer or the Swap Counterparty, as applicable, to Deliver or, due to an event beyond the control of the Issuer or any Holder of Securities, it is impossible or illegal for the Issuer or the relevant Holder of Securities to Deliver or 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 or procure that the Swap Counterparty Delivers 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 Swap Counterparty shall pay the Issuer and the Issuer shall pay the relevant Holders of Securities an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant Holders of Securities on the Partial Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer and/or the Swap Counterparty 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 Linked 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 or the Credit Default Swap Agreement and the Issuer and/or the Swap Counterparty 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 Swap Counterparty shall pay to the Issuer and the Issuer shall pay to the Holders of Securities an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the Holders of Securities on the Partial Cash Settlement Date.

(d) Aggregation and rounding

Where (i) a Noteholder holds Credit Linked Notes in an aggregate nominal amount outstanding greater than the Specified Denomination or (ii) a Certificateholder holds Credit Linked Certificates in an aggregate notional amount outstanding greater than the

Notional Amount of a Certificate, as the case may be, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the relevant Credit Linked Securities shall be aggregated for the purposes of this Credit Linked Condition 4. If the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit Linked Security to be redeemed pursuant to this Credit Linked 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 Linked 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 Linked Condition 4 shall be made in such commercially reasonable manner as the Swap Counterparty on behalf of the Issuer shall determine to be appropriate for such Delivery. Subject as set out in the definition of "Deliver":

(i) any recordation, processing or similar fee reasonably incurred by the Issuer and/or the Swap Counterparty and/or any of their 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 of Securities, 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 of Securities; and

(ii) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Holders of Securities or the Swap Counterparty, 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 of Securities have been paid to the satisfaction of the Issuer and the Swap Counterparty.

(f) Asset Transfer Notice

A Holder of Securities will not be entitled to any of the amounts or assets specified as being due to it in this Credit Linked Condition 4(f) upon the satisfaction of the Conditions to Settlement unless it has presented or surrendered (as is appropriate) the relevant Credit Linked Security and delivered an Asset Transfer Notice in accordance with, in the case of Notes, Condition 6(b)(i)(A) of the "Terms and Conditions of the Notes" or, in the case of Certificates, Condition 6(b)(i)(A) of the "Terms and Conditions of the Certificates", as the case may be. For so long as the Credit Linked Securities are held in any clearing system, any communication from such clearing system on behalf of the Holder of Securities containing the information required in an Asset Transfer Notice will be treated as an Asset Transfer Notice. For as long as Bearer Notes or Clearing System Certificates, as the case may be, are represented by a Global Note or Global Certificate, surrender of Credit Linked Securities for such purpose will be effected by presentation of the Global Note or Global Certificate and its endorsement to note the principal amount of Credit Linked Notes or the

notional amount of Credit Linked Certificates, as applicable, to which the relevant Asset Transfer Notice relates.

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 and these Credit Linked Conditions 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 as 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 Linked 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 Securities are Single Reference Entity Credit Linked Securities and a Succession Event has occurred and more than one Successor has been identified, the credit derivative transaction relating to the Credit Default Swap Agreement will be deemed for all purposes to have been divided into the same number of new credit derivative transactions 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 derivative transactions;

(ii) in respect of each deemed new credit derivative transaction, 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 derivative transaction will be replicated in each deemed new credit derivative transaction, except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original credit derivative transaction in the deemed new credit derivative transaction and the Credit Linked Securities (considered in the aggregate).

(b) Nth-to-Default Credit Linked Securities

Where the Securities are Nth-to-Default Credit Linked 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, the credit derivative transaction evidenced by the Credit Default Swap Agreement will be deemed for all purposes to have been divided into a number of credit derivative transactions equal to the number of Successors. Each such new transaction shall include a Successor and each and every one of the Reference Entities unaffected by such Succession Event and the provisions of Credit Linked Condition 6(a)(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:

(1) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and

(2) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.

(c) Linear Basket Credit Linked Securities

Where the Credit Linked Securities are Linear Basket Credit Linked 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) 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 Default Swap Agreement and these Credit Linked Conditions which may be required to preserve the economic effects of the Swap Agreement and the Securities prior to the Succession Event (considered in the aggregate). For the avoidance of doubt, the Calculation Agent may not, without the consent of the Issuer and the Trustee, amend any of the terms and conditions of the Credit Linked Securities other than these Credit Linked Conditions; 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 applicable 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 Linked 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 Linked 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

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 Swap Counterparty 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 Linked 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 Linked 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 Default Swap Agreement and the Credit Linked Securities are deemed to have been divided into new credit derivative transactions or Credit Linked Securities respectively pursuant to Credit Linked Condition 6).

If any Credit Linked Security is subject to partial settlement in accordance with this Credit Linked Condition 8, the relevant Credit Linked Security or, if the Credit Linked Securities are represented by a Global Note or Global Certificate, such Global Note or Global Certificate shall be endorsed to reflect such partial settlement.

For the avoidance of doubt, this Credit Linked 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.

(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 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 a Notice of Physical Settlement, any NOPS Amendment Notice or, as applicable, selected by the Swap Counterparty 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 Swap Counterparty 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 or the Swap Counterparty shall, as soon as reasonably practicable, notify the relevant Holders of Securities of such refusal (or deemed refusal) and:

(A) each such Holder of Securities may designate a third party (which may or may not be an Affiliate of such Holder of Securities) to take Delivery of the Deliverable Obligation on its behalf; and

(B) if a Holder of Securities 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 Linked Securities to which Deliverable Obligations which have not been Delivered by payment of the relevant Partial Cash Settlement Amount to such Holder of Securities. For the avoidance of doubt, Credit Linked Condition 4(B) will not apply to this sub-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-paragraphs (a)(i) to (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 Linked 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 Linked Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable), the Trustee and the Holders of Securities. 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 Linked 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 Swap Counterparty, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, 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 Linked 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 Linked 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 obliged to) modify these Credit Linked 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, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Swap Counterparty 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 Linked Condition 9(b) any of the terms and conditions of the Credit Linked Securities other than the Credit Linked 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 Linked Conditions.

This Credit Linked Condition 9(b) shall apply unless the applicable Final Terms specify 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, Notice of Publicly Available Information, Notice of Physical Settlement (or amendment or correction thereto), Auction Settlement Amount Notice or Extension Notice from the Swap Counterparty, the Issuer shall promptly inform, or shall procure that the Swap Counterparty informs, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Holders of Securities in accordance with, in the case of Notes, Condition 18 of the Notes or, in the case of Certificates, Condition 19 of the Certificates. 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 Linked 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 of Securities on or prior to such day, then following notification of the determination of an Excess Amount to the Issuer and Holders of Securities in accordance with, in the case of Notes, Condition 18 of the Notes or, in the case of Certificates, Condition 19 of the Certificates, the Issuer may deduct any such Excess Amount from future payments in relation to the Credit Linked Securities (whether interest, principal or any other amount, as applicable) or may reduce the amount of any assets deliverable under the terms of the Credit Linked Securities to the extent that it determines, acting reasonably, to be necessary to compensate for such Excess Amount.

(f) Disposal of Charged Assets

Following the satisfaction of the Conditions to Settlement in respect of any Reference Entity, unless the Issuer is required or entitled to deliver a selected portion of the Charged Assets to the Swap Counterparty or the Repo Counterparty, respectively, under the terms of the Credit Default Swap Agreement, the Repurchase Agreement, or any other Swap Agreement relating to the Credit Linked Securities, as applicable, or as otherwise specified in the Final Terms, the Redemption Agent shall, on behalf of the Issuer, use reasonable efforts to dispose of the Charged Assets (or, in the case of Linear Basket Credit Linked Securities, the relevant portion thereof) in accordance with Credit Linked Condition 9(g) for settlement not later than one Credit Security Business Day prior to the date on which the related Reference Entity Notional Amount of each Credit Linked Security is due to be redeemed save where the relevant Charged Asset is a Deposit Agreement and the Issuer will receive payment of an amount from the Deposit Counterparty at least equal to the relevant redemption amount on or prior to the date on which the related Reference Entity Notional Amount of each Credit Linked Security is due to be redeemed.

(g) Sale of Charged Assets

Where the Redemption Agent is required to dispose of any Charged Assets on behalf of the Issuer in order to redeem the Credit Linked Securities as set out in Credit Linked Condition 9(f), then:

(i) the Redemption Agent shall seek firm bid quotations from at least three dealers in assets such as the relevant Charged Assets (and, for such purpose, it may seek quotations in respect of such Charged Assets in their entirety or in respect of designated tranches thereof, as it considers appropriate);

(ii) the Redemption Agent may itself provide a bid in respect of the relevant Charged Assets or any tranche thereof;

(iii) it shall and shall be authorised to accept on behalf of the Issuer in respect of each relevant tranche or, as applicable, the entirety of the relevant Charged Assets the highest such quotation so obtained (which may be a quotation of the Redemption Agent); and

(iv) the net proceeds of sale of the relevant Charged Assets shall be paid into the Compartment Account and applied to meet the Issuer's obligations in respect of the Credit Linked Securities, the Swap Agreements and, if applicable, the Repurchase Agreement.

Subject as may otherwise be provided for in these Credit Linked Conditions, in effecting the sales, the Redemption Agent may sell the Charged Assets in one single tranche or in smaller tranches as it considers appropriate in order to attempt reasonably to maximise the proceeds from such sale. The Redemption Agent may effect sales of the Charged Assets (a) on any national securities exchange or quotation service on which the Charged Assets may be listed or quoted (b) in the over-the-counter market or (c) in transactions otherwise than on such exchanges or in the over-the-counter market. If (i) the Redemption Agent is unable to obtain any quotations for the sale of the Charged Assets or (ii) the Redemption Agent is offering to buy the Charged Assets itself for its own account for a price equal to or higher than the best quotation from a third party, the Redemption Agent may effect sales of the Charged Assets to itself.

10. Definitions

In these Credit Linked 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 applicable 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:

(A) 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

(B) 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/product/Reference-Data-CDS.

"**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 it in Credit Linked Condition 6(c) 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 Swap Counterparty 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 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:

Auction Settlement Amount = Max 0, [(RENA x AFP) - UC - CAL]

Where:

"**AFP**" means the relevant Auction Final Price;

"**CAL**" means the Charged Assets Loss;

"**RENA**" means the Reference Entity Notional Amount in respect of the relevant Reference Entity; and

"**UC**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**UC**" means zero).

"**Auction Settlement Amount Notice**" means a notice given by the Swap Counterparty to the Issuer, the Trustee and the Calculation Agent on or prior to the date which is 65 Business Days following the Final List Publication Date specifying:

(i) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Swap Counterparty has elected to apply to the Credit Default Swap Agreement (provided that the Swap Counterparty may only elect to apply any Parallel Auction Settlement Terms (for the purposes of which all Deliverable Obligations (as defined in respect of the Final List) on the Final List will be Permissible Deliverable Obligations) in the circumstances set out in sub-paragraph (b) of the definition of "No Auction Announcement Date"); and

(ii) the Auction Settlement Amount.

"**Auction Settlement Date**" means

(i) the date that is three Business Days following delivery by the Swap Counterparty of the Auction Settlement Amount Notice; or

(ii) (if "Settlement Deferral" is specified as applicable) if later, (in the case of Credit Linked Certificates) the Redemption Date or (in the case of Credit Linked Notes) the Maturity

Date. For the avoidance of doubt, this shall be without prejudice to Credit Linked 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 Credit Security Business Days Cap on Settlement" is expressed as applying in the Physical Settlement Matrix.

"**Cash Settlement Date**" means:

(i) 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

(ii) (if "Settlement Deferral" is specified as applicable) if later, (in the case of Credit Certificates) the Redemption Date or (in the case of Credit Linked Notes) the Maturity Date. For the avoidance of doubt, this shall be without prejudice to Credit Linked 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 Calculation Agent determines that:

(i) the Issuer is unable to perform its obligations in respect of the Credit Linked Securities or it has become illegal for the Issuer, the Swap Counterparty and/or any of the Swap Counterparty's Affiliates to hold, acquire or dispose of any relevant hedge positions in respect of the Credit Linked Securities; or

(ii) the Issuer, the Swap Counterparty and/or any of the Swap Counterparty's Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Credit Linked Securities in issue or in holding, acquiring or disposing of any relevant hedge positions of the Credit Linked Securities.

"**Charged Assets Loss**" means, in relation to any Charged Assets, an amount equal to:

(a) the price at which such Charged Assets were initially acquired by the Issuer; less

(b) the net proceeds of liquidation of such Charged Assets,

subject to a minimum of zero, provided that, where No Charged Assets Loss is specified as applicable in the applicable Final Terms, the Charged Assets Loss will be equal to zero.

If the Charged Assets are disposed of by the Issuer pursuant to a Repurchase Agreement then the Charged Assets Loss shall be equal to zero.

"**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 Swap Counterparty.

"**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 Default Swap Agreement**" means the credit default swap transaction(s) entered into between the Issuer and the Swap Counterparty in connection with the Credit Linked Securities

provided that if a Credit Default Swap Agreement is not specified as a Related Agreement in the applicable Final Terms, each reference to "Credit Default Swap Agreement" in these Credit Linked Conditions shall be deemed to be a reference to the Swap Agreement.

"**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 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 Linked 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 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.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**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:

Credit Event Cash Settlement Amount = Max 0, [(RENA x WAFP) - UC - CAL]

Where:

"**CAL**" means the Charged Assets Loss;

"**RENA**" means the relevant Reference Entity Notional Amount;

"**UC**" means the Unwind Costs (unless the applicable Final Terms specify that the Unwind Costs are not applicable, in which event "**UC**" means zero); and

"**WAFP**" means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein.

"**Credit Event Notice**" means an irrevocable notice from the Swap Counterparty (which may be in writing (including by facsimile and/or email and/or by telephone) in accordance with the Swap Agreement to the Issuer, the Calculation Agent and the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable (with, for information purposes only, a copy in writing of such notice (a "**Copy Notice**") sent to the Trustee; for the avoidance of doubt, failure to deliver a Copy Notice will not invalidate the Credit Event Notice) 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 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 settle 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 Swap Counterparty or its Affiliates and a Holder or its Affiliates or as may otherwise be specified in the Final Terms.

"**Credit Security Settlement Date**" means either:

(a) the Maturity Date or Redemption Date, as applicable; or

(b) where the Swap Counterparty delivers an Extension Notice in relation to a Reference Entity to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable and the Calculation Agent at or prior to 11:00 a.m. (London time) on the date falling two London Business Days prior to the Maturity Date or Redemption Date, as applicable, 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 Swap Counterparty 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 and unless otherwise elected by the Swap Counterparty by written notice to the Issuer, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, the Calculation Agent and the Trustee, 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.

"**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 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); and

(ii) the Trade Date occurs on or prior to the Exercise Cut-off Date.

"**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, the Physical Settlement Date, the Credit Security Settlement Date or other redemption or settlement date of the Credit Linked Securities or the date on which instructions are given by the Swap Counterparty 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 Swap Counterparty 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 of Securities, 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 of Securities, 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, the Swap Counterparty, and each Holder of Securities agrees to comply, for the purposes of the settlement of the Swap Agreement and the Credit Linked 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 and the Swap Counterparty further agree, and each Holder of Securities is deemed to further agree, that compliance by the Issuer and the Swap Counterparty 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 none of the Issuer, the Swap Counterparty nor any Holders of Securities shall be permitted to request that any party take nor shall the Issuer or the Swap Counterparty or any Holders of Securities 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 Linked Conditions 8(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 Linked 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, 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

(iv) 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 Swap Counterparty is capable of creating, or procuring the creation of, a contractual right in favour of the Issuer that provides the Issuer 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 the Issuer and either:

(a) the Swap Counterparty (to the extent the Swap Counterparty 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) below); 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 sub-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) has 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 the Swap Counterparty or any Holder of Securities may require that physical settlement take place through the use of an Escrow Agent (in the case of any such request by a Holder of Securities, solely in relation to the Securities held by such Holder of Securities). Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the relevant Holder of Securities.

"**Escrow Agent**" means an independent third party financial institution specified by the Swap Counterparty prior to the Physical Settlement Date, subject to the terms of the escrow arrangement.

"**Event Determination Date**" means, in respect of any Credit Event either:

(a) subject to sub-paragraph (b) below 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 Swap Counterparty to the Issuer, the Trustee, the Calculation Agent, the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable, and are effective during either:

(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 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 applicable Final Terms and if not, including prior to the Issue Date)); or

(b) 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; and

(iii) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Swap Counterparty to the Issuer, the Trustee, the Calculation Agent, the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable:

(A) 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

(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; and

(iv) if the Credit Event that is the subject of the DC Credit Event Announcement is a Restructuring, the Swap Counterparty has delivered a Credit Event Notice to the Issuer, the Trustee, the Calculation Agent and the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, 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. Where No Prior Event Determination Date is specified as applicable in the applicable Final Terms, no Event Determination Date may occur prior to the Issue Date and any Event Determination Date which would have occurred prior to the Issue Date but for this sentence shall be deemed to have no effect.

"**Excess Amount**" means any amount paid to the Holders of Securities but which was not due on the Credit Linked 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 Linked Condition 8(A).

"**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.

"**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 the Swap Counterparty and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or the Swap Counterparty 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 Swap Counterparty may select; and

(b) in the case of a Non-Capped Reference Entity, such date as the Swap Counterparty 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 Maturity Date or the Redemption 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) the Swap Counterparty delivers an Extension Notice under sub-paragraph (b) of the definition thereof; and

(c) the Repudiation/Moratorium Evaluation Date if:

(i) Repudiation/Moratorium is an applicable Credit Event in relation to any Reference Entity; and

(ii) the Swap Counterparty delivers an Extension Notice under sub-paragraph (c) of the definition thereof.

"**Extension Notice**" means a notice delivered by the Swap Counterparty to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent giving notice of any or all 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 Maturity Date or Redemption Date, as applicable; or

(b) that a Potential Failure to Pay has occurred or may occur on or prior to the Maturity Date or Redemption Date, as applicable (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 the Maturity Date or Redemption Date, as applicable (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 Swap Counterparty 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 Swap Counterparty may designate by notice to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent);

(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 the highest 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).

"**Fitch Ratings**" means Fitch Ratings Limited, which is part of the Fitch Group, and any successor to its rating business.

"**Full Quotation**" means, in accordance with the bid 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 Swap Counterparty.

"**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 the Maturity Date or Redemption Date, as applicable (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 the Maturity Date or Redemption Date, as applicable (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 as applicable in the Final Terms, such deemed Grace Period shall expire no later than the Maturity Date or Redemption Date, as applicable.

"**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 the Maturity Date or Redemption Date, as applicable (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 Swap Counterparty 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 Swap Counterparty and/or any of its Affiliates to hedge, directly or indirectly, the Swap Counterparty's obligations or positions (whether in whole or in part) in respect of the Credit Default Swap Agreement.

"**Hedging Disruption**" means that the Issuer, the Guarantor, if applicable, or the Swap Counterparty 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 (in the case of the Issuer or the Guarantor) the Credit Linked Securities or

(in the case of the Swap Counterparty) the relevant Credit Default Swap Agreement, 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 Swap Agreement, as determined by the Calculation Agent.

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor, if applicable, or the Swap Counterparty 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, the Guarantor, if applicable, or the Swap Counterparty, or, in the case of the Issuer or the Guarantor, if applicable, issuing and performing its obligations with respect to the Credit Linked Securities, or in the case of the Issuer or the Swap Counterparty, performing its obligations under the Swap Agreement entered into with respect to the Credit Linked 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 Swap Counterparty and/or any of its 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 Linked Condition (6)(B)(ii) above.

"**Limitation Date**" means, in respect of a Credit Event that is a Restructuring, the first of 20 March, 20 June, 20 September or 20 December 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 unless otherwise provided in the Final Terms.

"**Linear Basket Credit Linked Security**" means Credit Linked Securities where there is 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, in respect of any LPN, 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, in respect of Notes, 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.

"**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 any time during the period from (and including) the Trade Date to (but excluding) the Redemption Date or the Maturity Date, the Swap Counterparty 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 Swap Counterparty or the Guarantor as applicable, or (if applicable) the Guarantor and a Reference Entity or the Issuer and a Reference Entity or the Swap Counterparty 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 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.

"**Moody's**" means Moody's Investors Service Ltd. and any successor to its rating business.

"**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 applicable Final Terms specify that "Nth-to-Default Credit Linked 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 Swap Counterparty to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent notifying them that the Swap Counterparty 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 from the Swap Counterparty to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent 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 Swap Counterparty 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 Swap Counterparty will settle the Credit Default Swap Agreement and the Issuer will redeem the Credit Linked Securities by physical delivery in accordance with Credit Linked Condition 4;

(ii) contains a detailed description of the Deliverable Obligations that the Swap Counterparty will Deliver to or to the order of the Issuer and the Issuer will Deliver (or procure Delivery of) to the Holders of Securities, 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 Maturity Date or Redemption Date, as applicable, of the Credit Linked 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 Swap Counterparty may, from time to time, deliver to the Issuer, the Trustee, the Issuing and Paying Agent or the Principal Warrant and Certificate Agent, as applicable, and 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 Swap Counterparty 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, the Trustee, the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable, and 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 under the Credit Default Swap Agreement from the Swap Counterparty (which may be by telephone) to the Issuer, the Issuing and Paying Agent or Principal Warrant and Certificate Agent, as applicable, and the Calculation Agent (with, for information purposes only, a copy in writing of such notice (a "**Copy Information Notice**") sent to the Trustee; for the avoidance of doubt, failure to deliver a Copy Information Notice will not invalidate the Notice of Publicly Available Information) 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 Linked Security and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Swap Counterparty, 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 the Maturity Date or Redemption Date, as applicable;

(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 Linked Security; and

(e) the remaining terms as to credit linkage are consistent with the terms of such Credit Linked Security as it relates to such Reference Entity.

"**Nth-to-Default Credit Linked Security**" means any first-to-default Credit Linked Securities or any other nth-to-default Credit Linked Securities where there are 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 applicable 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 applicable 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 the Final Terms.

"**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 Swap Counterparty 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 Linked 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 and Charged Assets Loss (in each case, 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 Swap Counterparty 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 Swap Counterparty may designate pursuant to the Credit Default Swap Agreement, 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;

(d) "Section 3.9" shall be deemed to be a reference to Credit Linked Condition 8(A); and

(e) "Section 8.6" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Annex.

"**Physical Settlement Period**" means, subject to Credit Linked 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 and/or the Swap Counterparty (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 of Securities to give the Issuer details of accounts for settlement; or a failure of the Holder of Securities to open or procure the opening of such accounts or if the Holders of Securities 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 (if any) 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)(i) 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 Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice has occurred and which:

(i) has been published in or on not fewer than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if the Swap Counterparty or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Swap Counterparty or its 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 (X) a Reference Entity that is not a party to the relevant Credit Default Swap Agreement (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (Y) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation;

(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 with respect to a credit derivative transaction in which the Swap Counterparty 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 Obligations with respect to which a Credit Event has occurred, the Swap Counterparty shall be required to deliver an Officer's Certification.

(c) In relation to any information of any type described in sub-paragraphs (i), (ii), (iii) and (iv) above, the party receiving such information 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:

(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.

"**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 Relevant 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 Agent**" means the party specified as such in the applicable Final Terms.

"Redemption Date" means, in respect of Certificates, 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 Securities, as the terms of which may be modified pursuant to Credit Linked Condition 6.

"**Reference Entity Notional Amount**" means the amount in respect of one or more Reference Entities, as set out in the Final Terms (or, if no such amount is specified, the Aggregate Nominal Amount of the Notes or the Aggregate Notional Amount of the Certificates, as the case may be, in each case, divided by the number of Reference Entities and in the case of Securities repayable in instalments, subject to reduction on redemption), subject to Credit Linked 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.

"**Reference Price**" means the percentage specified as such in relation to a Reference Entity or, if a percentage is not so specified, 100 per cent.

"**Relevant Date**" means the Redemption Date or the Maturity Date, as applicable.

"**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/product/Reference-Data-CDS, 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 Swap Counterparty will, subject to Credit Linked Condition 4, Deliver to the Holders of Securities 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 Inc., 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 of Securities, 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 of Securities, 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:

(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 Maturity Date or Redemption Date, as applicable (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:

(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 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 euro 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 (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 Linked Condition 8(D), 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:

(a) either:

(i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any; or

(ii) the 2.5-year Limitation Date,

and, in either case, no Enabling Obligation exists; or

(b) 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.

"**S&P**" means Standard & Poor's Ratings Services, and any successor to its rating business.

"**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 Linked Security**" means Credit Linked Securities where there is 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 relation to a 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 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:

(A) 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);

(B) 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

(C) 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 Swap Counterparty'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 parties to the relevant credit default swap transaction comprised within the Credit Default Swap Agreement; 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 in relation to the Credit Linked Securities, 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 Linked 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 Swap Counterparty determines that a Succession Event has occurred; and

(ii) the Succession Event Resolution Request Date, if:

(A) 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;

(B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and

(C) the Swap Counterparty 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, the Holders of Securities and the Swap Counterparty of such calculation, provided that the Calculation Agent will not make such determination if, at such time, either:

(A) 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

(B) 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 Linked Condition (6)(b)(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 by the Holder of Securities to deliver an Asset Transfer Notice, 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 cost to the Swap Counterparty and/or the Repo Counterparty of terminating (in the case of the Swap Counterparty) any Hedge Transaction entered into in connection with interest rate or other derivative transactions evidenced by or comprised in the Swap Agreement and (in the case of the Repo Counterparty) any transaction entered into to fund its obligations under the Repurchase Agreement in whole or part, as determined by the Swap Counterparty in good faith and in a commercially reasonable manner, subject to a minimum of zero provided that, where No Unwind Costs is specified as applicable in the applicable Final Terms, the Unwind Costs will be equal to zero.

"**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, as selected by the Calculation Agent in its sole discretion, 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, as selected by the Calculation Agent in good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner); 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 good faith and in a commercially reasonable manner).

"**Valuation Obligation**" means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit Linked 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 Swap Counterparty 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 (i) and (ii) 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 Swap Counterparty in its discretion, each in an Outstanding Principal Balance selected by the Swap Counterparty 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 the bid 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 the Terms and Conditions of the Notes, the Terms and Conditions of the Warrants and the Terms and Conditions of the Certificates

11.1 Amendments to Terms and Conditions of the Notes

The Terms and Conditions of the Notes are amended as follows:

(a) The last 3 paragraphs of Condition 5(a) (*Interest on Fixed Rate Notes*) shall be amended as follows:

"Interest shall be calculated by applying the Rate of Interest to: (A) in the case of Fixed Rate Notes which are represented by a Global Note, the daily average of the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount (or, as applicable, the daily average of the outstanding nominal amount corresponding to the Calculation Amount), multiplying such sum by the applicable Day Count Fraction, and

rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note is definitive form comprises more than one Calculation Amount, the amount of Interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount (or, as applicable, for each relevant daily average of the outstanding nominal amount corresponding to such Calculation Amount) comprising the Specified Denomination without any further rounding.

"**sub-unit**" means, with respect to any currency other than the 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) In paragraph (A) of each of Condition 5(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 5(c)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*), the reference to "the aggregate outstanding nominal amount' shall be deleted and replaced with "the daily average of the aggregate outstanding amount".

(c) In paragraph (B) of each of Condition 5(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 5(c)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*), the reference to "the Calculation Amount" shall be deleted and replaced with "(or, as applicable, the daily average of the outstanding nominal amount corresponding to the Calculation Amount)".

(d) In the last paragraph of each of Condition 5(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 5(c)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*), the reference to "each Calculation Amount" shall be deleted and replaced with "(or, as applicable, for each relevant daily average of the outstanding nominal amount corresponding to such Calculation Amount)".

(e) In Condition 5(k) (*Interest Payments*), the third 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 7(a) (*Redemption at Maturity*) 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 Linked Security will be redeemed in accordance with the Credit Linked Conditions and the applicable Final Terms."

11.2 **Amendments to the Terms and Conditions of the Certificates**

The Terms and Conditions of the Certificates are amended as follows:

(c) The definition of Cash Settlement Amount in Condition 6(a) (*Method of Payment*) shall be amended by adding immediately after the words "the Final Redemption Amount specified in the applicable Final Terms" in the first paragraph thereof, the following:

"(or, in relation to Credit Linked Securities, the amount specified in the applicable Final Terms)".

(d) The penultimate paragraph of Condition 4(a) (*Interest on Fixed Rate Certificates*) shall be amended as follows:

"Interest shall be calculated by applying the Rate of Interest to the average daily outstanding notional amount of each Certificate and if a Day Count Fraction is specified in the applicable Final Terms 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.".

(e) Each of Condition 4(b)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) and Condition 4(c)(iii) (*Determination of Rate of Interest and Calculation of Interest Amount*) shall be amended by deleting and replacing the reference to "the Notional Amount of the Certificates" with the following:

"the aggregate average daily outstanding Notional Amount of the Certificates".

(f) In Condition 4(j) (*Interest Payments*), the third 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 LINKED SECURITIES

DESCRIPTION OF AUCTION SETTLEMENT TERMS

The following description is applicable to certain Credit Linked Securities to which "Annex 10 Additional Terms and Conditions for Credit Linked Securities" are applicable.

If an Event Determination Date occurs with respect to the Credit Linked Securities and Auction Settlement applies, the Auction Settlement Amount with respect to the Credit Linked 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 in accordance with 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 Linked 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 of Securities 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 of Securities. At any time after the date of this Annex, the latest Form of 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 of Securities 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 set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March 2009) (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.

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.

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. By way of example, in recent ISDA CDS Auction Protocols (prior to the publication of the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions) this has been approximately five Business Days following the relevant Auction Final Price Determination Date. The settlement date of the Securities will occur on the third Business Day following the Auction Settlement Date.

ANNEX B TO THE ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

CREDIT DERIVATIVES DETERMINATIONS COMMITTEES

The following description is applicable to certain Credit Linked Securities to which "Annex 10 Additional Terms and Conditions for Credit Linked Securities" are applicable.

In making certain determinations with respect to the Credit Linked 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 of Securities, unless specified otherwise in the terms of the Credit Linked Securities. The Credit Derivatives Determinations Committees shall have no ability to amend the terms of the Credit Linked Securities. Furthermore, the institutions on the Credit Derivatives Determinations Committees owe no duty to the Holders of Securities. See "*Risk Factors - Rights Associated with Credit Derivatives Determinations Committees*" for further information. The terms of the Credit Linked Securities provide that the Holders of Securities 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 of Securities.

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 Linked Securities without any action by the Holders of Securities. Holders of Securities (in their capacity as holders of the Credit Linked 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 Securities of such information (other than as expressly provided in the Final Terms). Holders of Securities 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 of Securities. 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 Linked Securities and materially affect the Holders of Securities. 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 Linked Securities are substantially similar to the 2014 Definitions or, as the case may be, the Updated 2003 Definitions, such determinations may affect the Holders of Securities, 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 Linked 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 Linked 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 Linked 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 Credit Linked Securities.

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 of Securities. 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 of Securities 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 of Securities 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 of Securities 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 of Securities 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 of Securities 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 Linked 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 of Securities 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 of Securities and may ignore any conflict of interest arising due to its responsibilities under the Credit Linked Securities.

Holders of Securities 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 of Securities and the Holders of Securities will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Holders of Securities 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 of Securities 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 Securities of such information (other than as expressly provided in the applicable Final Terms). Failure by the Holders of Securities 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 of Securities 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 of Securities and the powers of the Credit Derivatives Determinations Committees may be expanded or modified as a result.

ANNEX 11

ADDITIONAL TERMS AND CONDITIONS FOR ETI LINKED SECURITIES

*The terms and conditions applicable to ETI Linked Securities shall comprise, in the case of Notes, the Terms and Conditions of the Notes (as set out under the heading "Terms and Conditions of the Notes" above and, for the avoidance of doubt, not including Annexes 1 to 11), in the case of Warrants, the Terms and Conditions of the Warrants (as set out under the heading "Terms and Conditions of the Warrants" above and, for the avoidance of doubt, not including Annexes 1 to 9 or 11) and, in the case of Certificates, the Terms and Conditions of the Certificates (as set out under the heading "Terms and Conditions of the Certificates" above and, for the avoidance of doubt, not including Annexes 1 to 11), as applicable (the "**Conditions**") and the additional Terms and Conditions for payouts (as set out in Annex 1 under the heading "Additional Terms and Conditions for Payouts" above) (the "**Payout Conditions**") and the additional Terms and Conditions set out below (the "**ETI Linked Conditions**") and any other additional Terms and Conditions that may be specified in the applicable Final Terms (the "**Additional Terms and Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the ETI Linked Conditions and/or the Additional Terms and Conditions, the ETI Linked Conditions and/or the Additional ETI Linked Conditions (as applicable) shall prevail. In the event of any inconsistency between (i) the Conditions and/or the ETI Linked Conditions and/or the Additional Terms and Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

"**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.

"**Averaging Date**" means 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:

(a) 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 purposes of determining the relevant level, price, value or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(b) 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, value 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

(c) if *"Modified Postponement"* is specified as applying in the applicable Final Terms then:

(i) where the Securities are ETI Linked Securities relating to a single ETI Interest, 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 (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;

(ii) where the Securities are ETI Linked Securities relating to an ETI Basket, the Averaging Date for each 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 ETI Interest affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such ETI Interest. If the first succeeding Valid Date in relation to such ETI Interest 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 (A) that such 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 ETI Interest, and (B) the Calculation Agent shall determine the relevant level, price, value or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below; and

(iii) for the purposes of these ETI Linked Conditions, "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not occur.

"**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.

"**Closing Price**" means in respect of an ETI and a Scheduled Trading Day the official closing price (or, if Value per ETI Interest is specified as applicable in the Final Terms, the Value per ETI Interest) in respect of the relevant ETI Interest in relation to such day as determined by the Calculation Agent, subject as provided in ETI Linked Condition 4.

"**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 (a) any exchange traded fund, (b) the issuer of (i) an exchanged trade note, (ii) an exchange traded commodity or (iii) any other exchange traded product or (c) any other exchange traded entity specified as an ETI in the applicable Final Terms.

"**ETI Basket**" means, where the ETI Linked 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 (a) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (b) 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 (c) 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 good faith and in a commercially reasonable manner.

"**Final Calculation Date**" means the date specified as such in the applicable Final Terms.

"**Hedging Date**" means the date specified as such in the applicable Final Terms.

"**Hedge Provider**" means the party (being, *inter alia*, the Issuer, the Guarantor (if applicable), the Swap Counterparty, the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities and/or the Swap Counterparty's obligations in respect of the Swap Agreement 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 Shares**" means the number of ETI Interests that the Issuer or Swap Counterparty (and/or any of its Affiliates) deems necessary to hedge the equity or other price risk of entering into and performing the Issuer's obligations with respect to the Securities and/or the Swap Counterparty's obligations with respect to the Swap Agreement.

"**Hypothetical Investor**" means a hypothetical investor in ETI Interests which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding the relevant number of ETI Interests at the relevant time (as determined by the Calculation Agent in the context of the relevant situation). 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 Swap Counterparty, the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"**Initial Calculation Date**" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date.

"**Intraday Price**" means in respect of an ETI and any time on a Scheduled Trading Day, the published or quoted price (or, if Value per ETI Interest is specified as applicable in the applicable Final Terms, the value per ETI Interest) in respect of the relevant ETI Interest in relation to such time on such day, as determined by the Calculation Agent, subject as provided in ETI Linked Condition 3 and ETI Linked Condition 4.

"**Investment/AUM Level**" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR50,000,000 or the equivalent in any other currency.

"**Loss of Stock Borrow**" means that the Swap Counterparty 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 Maturity Date (in the case of Notes), the Redemption Date (in the case of Certificates) or the Expiry Date (in the case of Warrants), as applicable. 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.

"**Number of Value Publication Days**" means the number of calendar 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.

"**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, 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 the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, 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.

"**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 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 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 Interests 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 Interests 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, subject to the provisions of these ETI Linked Conditions and as referred to in "Strike Date", "Averaging Date", "Observation Date" and "Valuation Date", as the case may be:

(a) in the case of ETI Linked 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, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, 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

(b) in the case of ETI Linked 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, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, 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 in 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.

"**Settlement Price Date**" means the Strike Date, an Observation Date or the Valuation Date, as the case may be.

"**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.

"**Strike Date**" means the Strike Date specified as such 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:

(a) in the case of ETI Linked Securities relating to a single ETI Interest, 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, value, price or amount, as applicable, in accordance with its good faith estimate of the relevant price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or

(b) in the case of ETI Linked Securities relating to an ETI Basket, the Strike Date for each ETI Interest not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and the Strike Date for each ETI Interest affected (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 price using, in relation to the Affected Item, the level, value, price or amount, as applicable, determined using 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 otherwise in accordance with the above provisions.

"**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, in respect of Notes and Certificates, an amount per Note or Certificate determined as:

(i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the sum of:

(1) the Protected Amount; and

(2) the Swap Early Termination Amount;

(ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the Early Redemption Amount in accordance with Condition 7(e) of the Notes or Condition 8(e) of the Certificates, as applicable.

"**Termination Date**" means (i) in the case of Warrants the date determined by the Calculation Agent and specified in the notice to be given to Warrantholders in accordance with ETI Linked Condition 6.2(c), (ii) in the case of Notes (a) if Delayed Redemption on the Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Maturity Date or (b) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is

specified as being not applicable in the applicable Final Terms, the Termination Date specified as such in the notice to be given to Noteholders in accordance with ETI Linked Condition 6.2(c) or (iii) in the case of Certificates (a) if Delayed Redemption on the Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Redemption Date or (b) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being not applicable in the applicable Final Terms, the Termination Date specified as such in the notice to be given to Certificateholders in accordance with ETI Linked Condition 6.2(c).

"**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 Date**" means, in the case of Notes and Certificates, the Interest Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, in the case of Warrants, the date (or, as the case may be, the last date) specified as such in the applicable Final Terms or, if any 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:

(a) in the case of ETI Linked Securities relating to a single ETI Interest, 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, (i) 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 (ii) the Calculation Agent shall determine the relevant value, level or price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or

(b) in the case of ETI Linked Securities relating to an ETI Basket, the Valuation Date for each ETI Interest not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each ETI Interest affected (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 relevant value, level or price using 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 otherwise in accordance with the above provisions.

"**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 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 per cent.;

"**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 (w) 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 of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 good faith and in a commercially reasonable manner.

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 good faith and in a commercially reasonable manner, 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 ETI Linked Conditions and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner 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 of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 ETI Linked Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

Notwithstanding any other provision of this ETI Linked Condition 3, in making any such adjustment the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar adjustment or calculation made in respect of the relevant Swap Agreement in relation to such Potential Adjustment Event.

4. Extraordinary ETI Events

Subject to the provisions of ETI Linked Condition 5, "**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 the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, 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 determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner, 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 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 it 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 or cost 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 it or any of its Affiliates 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 (or the combined effect thereof if occurring more than once)) 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; or

4.23 at any time on or after the Trade Date, the Issuer or Swap Counterparty (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 Limited, or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Credit Market Services Europe Limited, 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;

4.28 if the ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event; or

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 or both an Extraordinary ETI Event and a Market Disruption Event, the Calculation Agent shall determine which Extraordinary ETI Event is to be triggered or whether such event or set of circumstances shall be an Extraordinary ETI Event or Market Disruption Event in accordance with any equivalent determination made in respect of the relevant Swap Agreement.

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 of Security in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 an 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 an Extraordinary ETI

Event pursuant to ETI Linked Condition 6.2. Where the action that the Calculation Agent has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Calculation Agent has determined to take shall be set out in a subsequent notice given to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 of Securities or any other person in connection with the Securities as a result of any delay in notifying Holders of the occurrence 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 Calculation Agent has determined the action that the Issuer is to take pursuant to ETI Linked Condition 6.2 below.

6.2 Following the occurrence of an Extraordinary ETI Event, the Calculation Agent shall (i) to the extent that the an equivalent adjustment or substitution or determination to take no action, as the case may be, has been made in respect of the relevant Swap Agreement, take the action described in (a) or (b) below or (ii) in the event that the circumstances giving rise to such Extraordinary ETI Event result in an Additional Termination Event occurring in respect of the relevant Swap Agreement, take the action set out in (c) below:

(a) Adjustment

If the Calculation Agent, in good faith and in a commercially reasonable manner, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "Adjustment", then it may:

(i) determine in good faith and in a commercially reasonable manner 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 ETI Linked 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 is selected in respect of the Swap Agreement, if any (the "**Options Exchange**"), 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 ETI Linked 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 ETI Linked Conditions and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner 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,

provided that the Calculation Agent shall, to the extent applicable, determine whether to take the action described in ETI Linked Condition 6.2(b)(i) or (ii) on the basis of any similar or equivalent determination made in respect of the relevant Swap Agreement.

(b) Substitution

If the Calculation Agent, in good faith and in a commercially reasonable manner, 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 ETI Linked Conditions and/or the applicable Final Terms as the Calculation Agent in good faith and in a commercially reasonable manner 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:

Initial Price = A x (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 good faith and in a commercially reasonable manner 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 good faith and in a commercially reasonable manner:

(i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Linked Securities related to a single ETI, and (b) in the case of ETI Linked 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 ETI Linked Securities 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.

(c) Termination

If the Calculation Agent, in good faith and in a commercially reasonable manner, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, 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 applicable Termination Date), all but not some only of the outstanding ETI Linked Securities shall be redeemed (in the case of Notes and Certificates) or cancelled (in the case of Warrants) by payment to the Holders of Securities of the Termination Amount on, or as soon as reasonably practicable thereafter, the Termination Date. Payments will be made in such manner as shall be notified to the Holders of Securities in accordance with Condition 18 of the Notes, Condition 17 of the Warrants or Condition 19 of the Certificates, as applicable.

(d) General

Notwithstanding any other provision of this ETI Linked Condition 6, in making its determinations under ETI Linked Condition 6.2(a) to (c) above, the Calculation Agent shall, to the extent applicable to the relevant Securities, take into account any corresponding or similar determination or selection or any other adjustment or calculation

made in respect of the relevant Swap Agreement in relation to such Extraordinary ETI Event.

In determining to take a particular action as a result of an Extraordinary ETI Event, the Calculation Agent is under no duty to consider the interests of any Holders of Securities 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 of Securities 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 will make the calculations and determinations as described in the ETI Linked Conditions in such a manner as the Calculation Agent 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 Linked Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

USE OF PROCEEDS

The net proceeds of each Series of Securities will be used to acquire the assets which will comprise the Charged Assets, to make payments under any agreement (including, without limitation, any Related Agreement) relating to the relevant Securities and/or to make payment to the counterparty to any Swap Agreement and/or to a bank or other entity pursuant to any Deposit Agreement and/or to the counterparty to any Repurchase Agreement in connection with any such Securities and/or to pay fees and expenses in connection with the administration of the Issuer and/or such Securities. If, in respect of any Series of Securities, there is a particular identified use of proceeds, in addition to or other than the foregoing, this will be stated in the applicable Final Terms.

DESCRIPTION OF BNPP INDICES

Securities issued under the Programme may be linked to the performance of certain indices. Where any Securities are linked to the performance of an index which is designated as a "Custom Index" in the applicable Final Terms:

(a) the complete set of rules of such index and information on the performance of the index are freely accessible on the following website: https://indices.globalmarkets.bnpparibas.com, or such other website as may be specified in the applicable Final Terms; and

(b) the governing rules (including the methodology of the index for the selection and the rebalancing of the components of the index, description of market adjustment events and adjustment rules) are based on pre-determined and objective criteria.

FORM OF GUARANTEE

Terms defined in the Terms and Conditions of the Notes, the Terms and Conditions of the Warrants or the Terms and Conditions of the Certificates (as the case may be), as completed by the applicable Final Terms (the "**Conditions**"), and not otherwise defined in this Guarantee, shall have the same meanings when used in this section.

The relevant Guarantor may agree to guarantee the obligations of the Issuer under a Series of Securities that are specified as being guaranteed notes, guaranteed warrants or guaranteed certificates (as the case may be) in the applicable Final Terms ("**Guaranteed Notes**", "**Guaranteed Warrants**" or "**Guaranteed Certificates**", as the case may be, and together the "**Guaranteed Securities**") pursuant to a guarantee in one of the forms of the guarantee set out below depending on the form and Guarantor specified in the applicable Final Terms.

The Guaranteed Securities may be issued pursuant to an Issue Deed which incorporates the Master Trust Terms between the Issuer and BNP Paribas Trust Corporation UK Limited as trustee (the "**Trustee**") (the "**Trust Deed**"). The relevant Trust Deed and Guarantee shall each be governed by and construed in accordance with English law.

If the form of Guarantee specified as applicable in the applicable Final Terms is "General Guarantee" then the form of Guarantee will be as follows where BNPP is the Guarantor (the "**General Guarantee**"):

"**THIS GUARANTEE** is made by way of deed on [*insert date*] by BNP Paribas S.A. (the "**Guarantor**") in favour of the Trustee for itself and for the benefit for the time being of the holders of the Securities (as defined below) (each a "**Holder**").

WHEREAS:

The Guarantor has agreed to guarantee the obligations of the Issuer under the Securities (the "**Guaranteed Securities**") on the terms of this Guarantee.

Terms defined in the Terms and Conditions of [*insert name of the Securities*] (the "**Securities**"), as completed by the applicable Final Terms (the "**Conditions**"), and not otherwise defined in this Guarantee, shall have the same meanings when used in this Guarantee.

NOW THIS DEED WITNESSES as follows:

1. **GUARANTEE**

Subject as provided below, the Guarantor irrevocably guarantees to the Trustee for itself and for the benefit of the holders for the time being of the Guaranteed Securities (each a "**Holder**") that, if for any reason the Issuer does not pay any sum payable by it or perform any other obligation in respect of any Guaranteed Security on the date specified for such payment or performance (the "**Guaranteed Obligations**"), the Guarantor will, in accordance with the applicable Terms and Conditions of the Guaranteed Securities (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. In case of the failure of the Issuer to satisfy such obligations as and when the same become due, the Guarantor hereby undertakes to 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 obligation after a demand has been made on the Guarantor pursuant to clause 8 hereof and provided that the Guarantor shall not be obliged to make any payment under this Guarantee until the Charged Assets have been realised or liquidated in full in the manner set out in Condition 12 of the Guaranteed Notes, Condition 13 of the Guaranteed Warrants or Condition 14 of the Guaranteed Certificates, as the case may be.

The Guaranteed Obligations are, for the avoidance of doubt, limited to the same extent as such sum or obligation due by the Issuer is itself limited (i) by the provisions of the Securitisation Act

2004 and (ii) the applicable Conditions, including, without limitation, (1) those Conditions relating to the applicable redemption amount or termination amount (which amount may be limited to the liquidation proceeds of the Charged Assets of the Compartment relating to such Security) and (2) those Conditions relating to Compartments, limited recourse, non-petition, subordination and priority of payments in respect of the relevant Guaranteed Security.

2. **SUBROGATION OF THE GUARANTOR**

The Guarantor will be fully and automatically subrogated to all rights of the holders of the Guaranteed Securities and the Trustee to payments of the Guaranteed Obligations, and to any rights appurtenant thereto, to the fullest extent permitted by applicable law to the extent of such payment in respect of amounts due in respect of the Securities which have been paid by the Guarantor under this Guarantee; provided that the Guarantor shall not without the consent of the Trustee be entitled to enforce or to receive any payments arising out of or based upon or prove in any insolvency or winding up of the Issuer in respect of such right of subrogation until such time as all Guaranteed Obligations due under this Guarantee have been paid in full.

3. **THE GUARANTOR AS PRINCIPAL OBLIGOR**

As between the Guarantor and the Trustee but without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety provided that (i) the Issuer has failed to satisfy its obligations as and when they become due, (ii) the Charged Assets have been realised or liquidated in full in the manner set out in Condition 12 of the Guaranteed Notes, Condition 13 of the Guaranteed Warrants, or Condition 14 of the Guaranteed Certificates, as the case may be, and (iii) a demand has been made on the Guarantor pursuant to clause 8 hereof. 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 the Issuer or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the release of any such security, guarantee or indemnity or (4) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person).

4. **THE GUARANTOR'S OBLIGATIONS CONTINUING**

The Guarantor'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 Guaranteed Security (including if the relevant Security is a Warrant, where such Warrant remains subject to exercise). Furthermore, those obligations of the Guarantor 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 the Guarantor or otherwise.

5. **DISCHARGE BY THE ISSUER**

If any payment received by, or other obligation discharged to or to the order of, the holder of any Guaranteed Security is, on the subsequent bankruptcy or insolvency of the Issuer, 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 the Guarantor and this Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by the Issuer.

6. **INDEMNITY**

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum or obligation which, although expressed to be payable or deliverable under the Guaranteed Securities, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor or the Trustee) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from the Guarantor as if it were the sole principal obligor and will be paid or performed by it in favour of the Trustee (for

itself and as trustee for the Holders) on demand by the Trustee provided that (i) the Issuer has failed to satisfy its obligations as and when they become due, (ii) the Charged Assets have been realised or liquidated in full in the manner set out in Condition 12 of the Guaranteed Notes, Condition 13 of the Guaranteed Warrants or Condition 14 of the Guaranteed Certificates, as the case may be, and (iii) a demand has been made on the Guarantor pursuant to clause 8 hereof and that in no circumstances shall the Guarantor be obliged to pay an amount under this Guarantee which is greater than the amount payable by the Issuer in respect of the Guaranteed Obligations, such Guaranteed Obligations being, for the avoidance of doubt, limited to the same extent as such sum or obligation due by the Issuer is itself limited by (1) the provisions of the Securitisation Act 2004 and (2) the applicable Conditions, including, without limitation, (a) those Conditions relating to the applicable redemption amount or termination amount (which amount may be limited to the liquidation proceeds of the Charged Assets of the Compartment relating to such Security) and (b) those Conditions relating to Compartments, limited recourse, non-petition, subordination and priority of payments in respect of the relevant Guaranteed Security. Accordingly, the Guarantor 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 the Issuer or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the release of any such security, guarantee or indemnity or (4) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person).

7. **INCORPORATION OF TERMS**

The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

8. **DEMAND ON THE GUARANTOR**

Any demand hereunder shall be given in writing addressed to the Guarantor served at its office at Legal CIB, 3 rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made five 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 five Paris Business Days after the Paris Business Day immediately following such day.

9. **DEPOSIT OF GUARANTEE**

This Guarantee shall be deposited with and held by the Trustee for the benefit of itself and the Holders.

10. **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.

11. **JURISDICTION**

This clause is for the benefit of the Trustee only. Subject as provided below and subject to applicable law, the courts of England shall have exclusive jurisdiction to settle any disputes which may, directly or indirectly, arise out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection herewith and accordingly, subject to applicable law, the Guarantor submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereinafter termed the "**Proceedings**") relating to any such dispute. The Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this clause shall limit the rights of the Trustee to take any Proceedings against the Guarantor in any

other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

12. **SERVICE OF PROCESS**

The Guarantor agrees that service of process in England may be made on it at its London branch. Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

13. **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.

IN WITNESS whereof this Guarantee has been executed and delivered by BNP Paribas S.A. as a deed on the date first above-mentioned.

Executed and delivered as a Deed

By BNP PARIBAS S.A.)

acting by)

acting under the authority)

of that company)

Witness's signature:

Name:

Address: "

If the form of Guarantee specified as applicable in the applicable Final Terms is "Shortfall Guarantee" then the form of Guarantee will be as follows where BNPP is the Guarantor (the "**Shortfall Guarantee**"):

"**THIS GUARANTEE** is made by way of deed on [*insert date*] by BNP Paribas S.A. (the "**Guarantor**") in favour of the Trustee for itself and for the benefit for the time being of the holders of the Securities (as defined below) (each a "**Holder**").

WHEREAS:

The Guarantor has agreed to guarantee the obligations of the Issuer under the Securities (the "**Guaranteed Securities**") on the terms of this Guarantee.

Terms defined in the Terms and Conditions of [*insert name of the Securities*] (the "**Securities**"), as completed by the applicable Final Terms (the "**Conditions**"), and not otherwise defined in this Guarantee, shall have the same meanings when used in this Guarantee.

NOW THIS DEED WITNESSES as follows:

1. GUARANTEE

Subject as provided below, the Guarantor conditionally and irrevocably guarantees to the Trustee for itself and for the benefit of the Holders that, if for any reason the Issuer does not:

(i) on the Maturity Date (in the case of Guaranteed Notes), the Settlement Date (in the case of Guaranteed Warrants) or the Redemption Date (in the case of Guaranteed Certificates), as the case may be, pay the Final Redemption Amount (in the case of Guaranteed Notes or Guaranteed Certificates) or the Cash Settlement Amount (in the case of Guaranteed Warrants) in full;

(ii) on the Automatic Early Redemption Date (if specified as applicable in the applicable Final Terms) pay the Automatic Early Redemption Amount;

(iii) on the Automatic Early Expiration Date (if specified as applicable in the applicable Final Terms) pay the Automatic Early Expiration Payment Amount; or

(iv) if (1) an Event of Default (other than an Event of Default resulting from a failure to pay the Final Redemption Amount (in the case of Guaranteed Notes and Guaranteed Certificates) or the Final Settlement Amount (in the case of Guaranteed Warrants)), (2) an Early Redemption Event (in the case of Guaranteed Notes or Guaranteed Certificates) or (3) an Early Termination Event (in the case of Guaranteed Warrants) has occurred, on the Early Redemption Date (in the case of Guaranteed Notes or Guaranteed Certificates) or Early Termination Date (in the case of Guaranteed Warrants), pay an amount equal to the applicable Final Redemption Amount, Final Settlement Amount, Early Redemption Amount or Early Termination Amount, as the case may be, in full,

it will pay the Shortfall Amount (as defined below) in respect of each Guaranteed Security (the "**Guaranteed Obligations**") and the Guarantor will pay that sum in the currency in which such payment is due in immediately available funds.

In case of the failure of the Issuer to satisfy such obligations as and when the same become due, the Guarantor hereby undertakes to make or cause to be made such payment as though the Guarantor were the principal obligor in respect of such obligations after a demand has been made on the Guarantor pursuant to clause 7 hereof and provided that the Guarantor shall not be obliged to make any payment under this Guarantee until the Charged Assets have been realised or liquidated in full in the manner set out in Condition 12 of the Guaranteed Notes, Condition 13 of the Guaranteed Warrants or Condition 14 of the Guaranteed Certificates, as the case may be, and only if the holder of a Guaranteed Security has not received the full Final Redemption Amount (in the case of Guaranteed Notes or Guaranteed Certificates), Automatic Early Expiration Payout Amount or Cash Settlement Amount (in the case of Guaranteed Warrants) or Automatic Early Redemption Amount which would otherwise have been due on the Maturity Date (in the case of Guaranteed Notes), the Settlement Date (in the case of Guaranteed Warrants), Redemption Date (in the case of Guaranteed Certificates) or Automatic Early Redemption Date or Automatic Early Expiration Date, as the case may be, (the "**Expected Settlement Amount**") or, where an Event of Default (other than an Event of Default resulting from a failure to pay the Final Redemption Amount (in the case of Guaranteed Notes and Guaranteed Certificates), the Final Settlement Amount (in the case of Guaranteed Warrants), Automatic Early Redemption Amount or Automatic Early Expiration Payout Amount), an Early Redemption Event or an Early Termination Event has occurred and either (1) the Trustee has given a notice of Note Acceleration in accordance with

Condition 11 of the Guaranteed Notes, of Warrant Acceleration in accordance with Condition 11 of the Guaranteed Warrants or of Certificate Acceleration in accordance with Condition 12 of the Guaranteed Certificates in respect of the Guaranteed Securities or (2) the Issuer has given notice that it will redeem or cancel, as the case may be, the Securities, prior to their specified Maturity Date (in the case of Guaranteed Notes), the Settlement Date (in the case of Guaranteed Warrants) or Redemption Date (in the case of Guaranteed Certificates), as the case may be, (the date on which such notice expires, the "**Early Redemption Date**" (in the case of Guaranteed Notes or Guaranteed Certificates) or the "**Early Termination Date**" (in the case of Guaranteed Warrants)), the Expected Early Termination Amount.

For the purposes of this Guarantee:

(a) "**Shortfall Amount**" means a *pro rata* share per Security of the amount, following the liquidation of the Charged Assets in the manner set out in Condition 12 of the Guaranteed Notes, Condition 13 of the Guaranteed Warrants or Condition 14 of the Guaranteed Certificates, as the case may be, by which the aggregate amount paid to the Holders of the Securities of the relevant Series by, or on behalf of, the Issuer is less than the aggregate Expected Settlement Amount or, if an Event of Default (other than an Event of Default resulting from a failure to pay the Final Redemption Amount (in the case of Guaranteed Notes and Guaranteed Certificates), the Final Settlement Amount (in the case of Guaranteed Warrants), Automatic Early Redemption Amount or Automatic Early Expiration Payout Amount), an Early Redemption Event or an Early Termination Event has occurred, the aggregate Expected Early Termination Amount (as defined below) otherwise payable in respect of such Security plus, in each case, any amounts which are payable in accordance with the Order of Priority in priority to payments to the Holders which have not been satisfied by the Available Enforcement Proceeds provided that the Trustee shall apply all amounts received by it under this Guarantee in accordance with the Order of Priority specified in the applicable Final Terms after first having applied the Available Enforcement Proceeds in accordance with the Order of Priority.

For the purposes of determining the Shortfall Amount, the Expected Settlement Amount shall be the Final Redemption Amount (in the case of Guaranteed Notes or Guaranteed Certificates), the Cash Settlement Amount (in the case of Guaranteed Warrants) or Automatic Early Redemption Amount prior to any application of the limitation of the Issuer's obligations set out in Condition 8(i) of the Guaranteed Notes, Condition 9(i) of the Guaranteed Warrants or Condition 9(i) of the Guaranteed Certificates, as the case may be.

(b) "**Expected Early Termination Amount**" means either (i) the Early Redemption Amount in respect of an Early Redemption Event (in the case of Guaranteed Notes or Guaranteed Certificates) or the Early Termination Amount in respect of an Early Termination Event (in the case of Guaranteed Warrants) or (ii) the fair market value of the relevant Security in respect of an Event of Default (other than an Event of Default resulting from a failure to pay the Final Redemption Amount (in the case of Guaranteed Notes and Guaranteed Certificates), the Final Settlement Amount (in the case of Guaranteed Warrants), the Automatic Early Redemption Amount (in the case of Guaranteed Notes and Guaranteed Certificates) or the Automatic Early Expiration Payout Amount or Early Termination Amount (in the case of Guaranteed Warrants)), as the case may be, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Early Redemption Date or the Early Termination Date, as the case may be, prior to any application of the limitation of

the Issuer's obligations set out in Condition 8(i) of the Guaranteed Notes Condition 9(i) of the Guaranteed Warrants or Condition 9(i) of the Guaranteed Certificates, as the case may be.

(c) The Guaranteed Obligations shall not be deemed limited to the same extent as such sum or obligation due by the Issuer is itself limited by (i) the provisions of the Securitisation Act 2004 and (ii) the applicable Conditions, including, without limitation, (a) those Conditions relating to the applicable redemption amount or termination amount (which amount may be limited to the liquidation proceeds of the Charged Assets of the Compartment relating to such Security) and (b) those Conditions relating to Compartments, limited recourse, non-petition, subordination and priority of payments in respect of the relevant Guaranteed Security.

2. **SUBROGATION OF THE GUARANTOR**

The Guarantor will be fully and automatically subrogated to all rights of the holders of the Guaranteed Securities and the Trustee to payments of the Guaranteed Obligations, and to any rights appurtenant thereto, to the fullest extent permitted by applicable law to the extent of such payment in respect of amounts due in respect of the Securities which have been paid by the Guarantor under this Guarantee; provided that the Guarantor shall not without the consent of the Trustee be entitled to enforce or to receive any payments arising out of or based upon or prove in any insolvency or winding up of the Issuer in respect of such right of subrogation until such time as all Guaranteed Obligations due under this Guarantee have been paid in full.

3. **THE GUARANTOR AS PRINCIPAL OBLIGOR**

As between the Guarantor and the Trustee but without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety provided that (i) the Issuer has failed to satisfy its obligations as and when they become due without regard to the limitations on the Issuer's obligations as set out in clause 1(c) (above), (ii) the Charged Assets have been realised or liquidated in full in the manner set out in Condition 12 of the Guaranteed Notes, Condition 13 of the Guaranteed Warrants, or Condition 14 of the Guaranteed Certificates, as the case may be, and (iii) a demand has been made on the Guarantor pursuant to clause 7 hereof. 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 the Issuer or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the release of any such security, guarantee or indemnity or (4) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person).

4. **THE GUARANTOR'S OBLIGATIONS CONTINUING**

The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no Shortfall Amount remains payable in respect of any Guaranteed Security. Furthermore, those obligations of the Guarantor 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 the Guarantor or otherwise.

5. **DISCHARGE BY THE ISSUER**

If any payment received by, or to the order of, the holder of any Guaranteed Security is, on the subsequent bankruptcy or insolvency of the Issuer, 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 the Guarantor and this Guarantee will continue to apply in respect of any relevant Shortfall Amount as if such payment had at all times remained owing due by the Issuer.

6. **INCORPORATION OF TERMS**

The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

7. **DEMAND ON THE GUARANTOR**

Any demand hereunder shall be given in writing addressed to the Guarantor served at its office at Legal CIB, 3 rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made five 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 five Paris Business Days after the Paris Business Day immediately following such day.

8. **DEPOSIT OF GUARANTEE**

This Guarantee shall be deposited with and held by the Trustee for the benefit of itself and the Holders.

9. **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.

10. **JURISDICTION**

This clause is for the benefit of the Trustee for itself and on behalf of the Holders only. Subject as provided below and subject to applicable law, the courts of England shall have exclusive jurisdiction to settle any disputes which may, directly or indirectly, arise out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection herewith and accordingly, subject to applicable law, the Guarantor submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereinafter termed the "**Proceedings**") relating to any such dispute. The Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this clause shall limit the rights of the Trustee to take any Proceedings against the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

11. **SERVICE OF PROCESS**

The Guarantor agrees that service of process in England may be made on it at its London branch, at 10 Harewood Avenue, London NW1 6AA (Attn: CIB Legal). Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

12. **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.

IN WITNESS whereof this Guarantee has been executed and delivered by BNP Paribas S.A. as a deed on the date first above-mentioned.

Executed and delivered as a Deed

By BNP PARIBAS S.A.)

acting by)

acting under the authority)

of that company)

Witness's signature:

Name:

Address: "

If the form of Guarantee specified as applicable in the applicable Final Terms is "BNL Guarantee" then the form of Guarantee will be as follows where BNL is the Guarantor and the Guaranteed Securities have a denomination (in the case of Notes), issue price (in the case of Warrants) or notional amount (in the case of Certificates) of at least EUR100,000:

"**THIS GUARANTEE** is made on [●] by

BNL S.p.A. Via Vittorio Veneto 119, Rome, Italy (the "**Guarantor**"), in favor of the holders for the time being of the Securities (as defined below) (each a "**Holder**") acting through the Trustee (as defined below).

WHEREAS:

1) SecurAsset S.A. acting through its Compartment [●], of 20, rue de la Poste, Luxembourg L-2346 (the "**Issuer**") has established a programme for the issuance of securities (the "**Programme**") under a base prospectus dated 27 November 2015 approved by the competent Luxembourg authority (the "**Base Prospectus**").

2) The Issuer intends to issue securities under the Programme relating to the Compartment [●] (the "**Securities**")

3) The Securities shall be publicly offered in Italy pursuant to the Prospectus Directive (Directive 2003/71/EC of the European Parliament and Council of the European Union), the Legislative Decree no. 58 of February, 24 1998, the implementing Consob Regulation and any securities law and regulations applicable form time to time in Italy.

4) Terms defined in the Terms and Conditions of the Securities, as completed by the applicable Final Terms (the "**Conditions**"), and not otherwise defined in this Guarantee, shall have the same meanings when used in this Guarantee.

IN CONSIDERATION OF THE ABOVE

and subject as provided below, the Guarantor unconditionally and irrevocably guarantees to the Holders that, in case of the failure of the Issuer to satisfy its payment obligations under the Securities as and when the same became due, as a consequence and limited to the failure of the Swap Counterparty to satisfy its payment obligation under the Swap Agreement as and when the same became due, (the "**Guaranteed Obligations**") the Guarantor will satisfy such payment obligations in the currency in which such payment is due in immediately available funds.

The Guarantor undertakes to make such payment or satisfy such obligation after a demand has been made pursuant to Clause 5 hereof.

The Guaranteed Obligations shall not be deemed limited to the same extent as such sum or obligation due by the Issuer is itself limited by (i) the provisions of the Securitisation Act 2004 and (ii) the applicable Conditions.

This Guarantee shall be construed as an irrevocable and unconditional first demand autonomous guarantee (*garanzia autonoma a prima richiesta*) and not a surety (*fideiussione*). Therefore, it is understood that such written demand may be given to the Guarantor without any prior notice, restriction and condition, without any objection and inquiry whatsoever (including any set-off rights) regarding the grounds for such demand, without asking for any reason as to whether the amount has been lawfully requested and notwithstanding any objections by the Guarantor and with express irrevocable waiver to any set off and exception.

For the purposes of this Guarantee:

(a) "**Swap Agreement**" means the swap entered into by BNP Paribas S.A, and the Issuer on [●] relating to the Compartment [●] pursuant to the terms of a 2002 ISDA Master Agreement and the Schedule and confirmation thereto.

1. MAXIMUM AMOUNT

The maximum amount that the Guarantor may be required to pay or indemnify in respect of its obligations as Guarantor under this Guarantee shall not exceed the aggregate principal amount of [●] (the "**Maximum Amount**").

2. SUBROGATION OF THE GUARANTOR

The Guarantor will not be subrogated to all rights of the Issuer until such time as all Guaranteed Obligations due under this Guarantee have been paid in full.

3. DURATION

This Guarantee will became valid and effective as of the Issue Date of the Securities and will remain in full force and effect until no amounts remain payable in respect of the Securities and this Guarantee shall be released on the date on which the Holders are satisfied that all amounts which may be or become payable pursuant to, or in connection with, the Guaranteed Obligations have been definitively, irrevocably and unconditionally paid or discharged in full.

4. INCORPORATION OF TERMS

The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

5. DEMAND ON THE GUARANTOR

Any demand hereunder shall be made by the Trustee acting for the benefit of the Holders in writing addressed to the Guarantor served at its office at BNL S.p.A., 119. Via Vittorio Veneto Rome, Italy and shall state the amount of the claim against the Guarantor in respect of the Guaranteed Obligations.

A demand so made shall be deemed to have been duly made five Business Days (as used herein, "**Italian Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Italy) after the day it was served or if it was served on a day that was not a Italian Business Day or after 5.30 p.m. (Milan time) on any day, the demand shall be deemed to be duly made five Italian Business Days after the Italian Business Day immediately following such day.

6. MISCELLANEA

All payments to be made by the Guarantor to the Holders under this Guarantee shall be made without set-off or counterclaim, exclusive of any tax of any nature and without any deduction or withholding whatsoever (including, without limitation, value added taxes, stamp and documentary taxes). If the Guarantor is obliged by law to make any deduction or withholding from any such payment, the amount due from the Guarantor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, each Holder receives a net amount equal to the amount each Holder would have received had no such deduction or withholding been required to be made.

The Guarantor waives any right it may have of first requiring the Holders to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee (*beneficio della preventiva escussione dell'Emittente*).

The Guarantor shall not be entitled to assign or transfer all or part of its obligations under this Guarantee.

7. 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 Italian law.

8. JURISDICTION

The courts of Rome shall have exclusive jurisdiction to settle any disputes which may, directly or indirectly, arise out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection of this Guarantee."

DESCRIPTION OF THE ISSUER

Information relating to the Issuer

General

The Issuer was incorporated in the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) with unlimited duration on 23 January 2009 under the name SecurAsset S.A. ("**SecurAsset**") and is registered with the Luxembourg trade and companies register under number B 144385. The Articles of the Issuer were filed with the Luxembourg trade and companies register and published in the *Mémorial C, Recueil des Sociétés et Associations* n°372 of 19 February 2009, on page 17839. The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities.

The Issuer is a company incorporated with limited liability (*société anonyme*) under the laws of the Grand Duchy of Luxembourg as a securitisation company (*société de titrisation*) within the meaning of, and governed by, the law of 22 March 2004 on securitisation, as amended (the "**Securitisation Act 2004**"), having its registered office at 20, rue de la Poste, Luxembourg L-2346. The telephone number of the Issuer is +352 47 23 23 355 and the fax number of the Issuer is +352 47 24 73.

The share capital of the Issuer is EUR 31,000 divided into 3,100 shares in registered form (the "**Issuer Shares**"), all of which are fully paid. Each Issuer Share is entitled to one vote. All the shares in the Issuer are held by Stichting AssetSecur, a foundation duly incorporated under the laws of The Netherlands, having its registered office at Naritaweg 165 Telestone 8, 1043BW Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce in Amsterdam under number 34322925. The Issuer is managed by the Board. The members of the Board are appointed by the shareholder of the Issuer. The Issuer has no subsidiaries.

Corporate Purpose

Pursuant to Article 4 of its Articles of Association, the Issuer has as its business purpose to enter into, perform and serve as a vehicle for, any transactions permitted under the Securitisation Act 2004. The Issuer may issue securities of any nature and in any currency and, to the fullest extent permitted by the Securitisation Act 2004, pledge, mortgage or charge or otherwise create security interests in and over its assets, property and rights to secure its obligations. The Issuer may enter into any agreement and perform any action necessary or useful for the purpose of carrying out transactions permitted under the Securitisation Act 2004, including, without limitation, disposing of its assets in accordance with the relevant agreements. The Issuer may only carry out the above activities if and to the extent that they are compatible with the Securitisation Act 2004.

Compartments

The Board of the Issuer may, in accordance with the terms of the Securitisation Act 2004, create individual Compartments. Each Compartment will correspond to a distinct and separate part of the assets and liabilities in respect of the Issuer. The resolution of the Board creating one or more Compartments, as well as any subsequent amendments thereto, will be binding as of the date of such resolution against any third party.

Each series of Securities will be issued through a separate Compartment and each such Compartment will be treated as a separate entity. Rights of Holders of Securities and any other creditor of the Issuer that (i) have been designated as relating to a Compartment on the creation of a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment, are strictly limited to the assets of that Compartment which shall be exclusively available to satisfy such Holders of Securities or creditors, unless otherwise provided for in the resolution of the Board which created the relevant Compartment. Holders of Securities and other creditors of the Issuer whose rights are not related to a specific Compartment of the Issuer shall have no rights to the assets of any such Compartment.

Unless otherwise provided for in the resolution of the Board creating such Compartment, no resolution of the Board may amend the resolution creating such Compartment or directly affect the rights of the Holders of Securities or creditors whose rights relate to such Compartment without the prior approval of all of the Holders of Securities and other creditors whose rights relate to such Compartment. Any decision of the Board taken in breach of this provision shall be void.

Without prejudice to the preceding paragraph, each Compartment may be separately liquidated without such liquidation resulting in the liquidation of another Compartment of the Issuer or of the Issuer itself.

The liabilities and obligations of the Issuer incurred or arising in connection with a Compartment and all matters connected therewith will only be satisfied or discharged from the Charged Assets. The Charged Assets will be exclusively available to satisfy the rights of the Holders of Securities and the other creditors of the Issuer in respect of the Securities and all matters connected therewith, as provided therein, and (subject to mandatory law) no other creditors of the Issuer will have any recourse against the Charged Assets of the Issuer.

Issuer authorised by the CSSF

The Issuer is a securitisation company authorised and supervised by the CSSF pursuant to the Securitisation Act 2004. The Issuer is deemed to qualify as a securitisation undertaking which will issue securities to the public on a continuous basis. According to the CSSF's current administrative practice, more than three issues per year is to be regarded as being "on a continuous basis".

The CSSF has approved, on 5 February 2009, the Articles of the Issuer and the Issuer has been entered on 6 February 2009 into the official list by the CSSF which was published on 6 February 2009.

The CSSF has been informed of the subsequent members of the Board of the Issuer and its sole shareholder. The Issuer has also provided the CSSF with copies of the final form of each of the Master Trust Terms, Dealer Agreement, Agency Agreement and this Base Prospectus, a copy of the financial information prepared by the Issuer and a copy of the opening financial statements certified by the Issuer's auditor.

The Securitisation Act 2004 empowers the CSSF to continuously supervise the Issuer and to comprehensively examine anything which may affect the interests of the Holders of Securities. For example, the CSSF may request regular interim reports on the status of the Issuer's assets and proceeds therefrom as well as any other documents relating to the operation of the Issuer, and may, under certain conditions, withdraw the authorisation of the Issuer.

The Issuer is obliged to provide information to the CSSF on a semi-annual basis with respect to new issues of Securities, outstanding issues of Securities and issues of Securities that have been redeemed during the period under review. In connection therewith the nominal value of each issue of Securities, the type of securitisation and the investor profile must be reported.

Capitalisation

The following table sets out the capitalisation of the Issuer as at the date of this Base Prospectus.

SHAREHOLDERS' FUNDS:	
SHARE CAPITAL (ISSUER SHARES)	**EUR 31,000**
TOTAL CAPITALISATION	**EUR 31,000**

Indebtedness

As at the date of this Base Prospectus, the Issuer has no material indebtedness, contingent liabilities and/or guarantees other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated in this Base Prospectus.

Administration, Management and Supervisory Bodies

The directors of the Issuer are as follows:

Director	Business address
Damien Nussbaum	20, rue de la Poste, Luxembourg L-2346
Severine Canova	2-8, avenue Charles de Gaulle, Luxembourg L-1653
Pierre Harpes	50, avenue J.F. Kennedy, L-2951 Luxembourg

Each of the directors confirms that there is no conflict of interest between his duties as a director of the Issuer and his principal and/or other outside activities.

Citco C&T (Luxembourg) S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2-8 avenue Charles de Gaulle L-1653 Luxembourg ("**Citco**") registered with the Luxembourg trade and companies register under number B 139857, acts as corporate services agent and the domiciliation agent of the Issuer (the "**Corporate Services Agent**"). Pursuant to the terms of the management and administration agreement and the domiciliary agent agreement each effective 23 January 2009 and entered into between the Corporate Services Agent and the Issuer, the Corporate Services Agent will perform in Luxembourg certain administrative and corporate and domiciliary agent services. In consideration of the foregoing, the Corporate Services Agent will receive an annual fee as agreed with the Issuer. The appointment of the Corporate Services Agent may be terminated, in principle, by either the Issuer or the Corporate Services Agent upon not less than 90 calendar days' prior notice.

No corporate governance regime to which the Issuer would be subject exists in Luxembourg as at the date of this Base Prospectus.

Financial Statements

The financial year of the Issuer is the calendar year save that the first financial year was from the date of incorporation to 31 December 2009 and the second financial year was from 1 January 2010 to 31 December 2010. The Issuer filed with the Luxembourg trade and companies register its audited annual accounts in respect of the financial year ending on 31 December 2012, on 2 May 2013, its audited accounts in respect of the financial year ending on 31 December 2013, on 2 May 2014 and its audited accounts in respect of the financial year ending on 31 December 2014, on 30 April 2015.

In accordance with articles 72, 74 and 75 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended, the Issuer is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders. The ordinary general meeting of shareholders takes place annually on 31 May or, if such day is not a business day, the next following business day in Luxembourg at 10.00 a.m., at the registered office of the Issuer or at such other place in Luxembourg as may be specified in the convening notice.

Any future published audited annual accounts prepared for the Issuer will be obtainable free of charge from the specified office of the Paying Agents and the Issuer, as described in "General Information".

Selected Financial Information

As at 31 December 2014, the Issuer had total assets and total liabilities of euro 3,519,864,476.87. For the financial year ending 31 December 2014, the Issuer had total charges of euro 467,862,606.88 and total income of euro 467,862,606.88. As at 31 December 2013, the Issuer had total assets and total liabilities of euro 2,272,243,455.19. For the financial year ending 31 December 2013, the Issuer had total charges of euro 191,561,823.76 and total income of euro 191,561,823.76.

Selected Unaudited Interim Financial Information

As at 30 June 2015, the Issuer had total assets and total liabilities of euro 3,587,290,751.97. For the six month period ending 30 June 2015, the Issuer had total charges of euro 407,934,506.52 and total income of euro 407,934,506.52. As at 30 June 2014, the Issuer had total assets and total liabilities of euro 3,093,970,585.12. For the twelve month period ending 31 December 2014, the Issuer had total charges of euro 467,862,606.88 and total income of euro 467,862,606.88.

Independent Auditors

The external auditors (*réviseurs d'entreprises agréés*) of the Issuer, which have been appointed by a resolution of the Board dated 5 February 2009, are PricewaterhouseCoopers, a *société cooperative* with registered office at 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, a member of the Luxembourg institute of auditors (*Instituts des réviseur d'entreprises*) (the "**Auditor**") and an accountancy firm authorised to carry on business in the Grand Duchy of Luxembourg by the CSSF. The Auditor has no material interest in the Issuer.

SELECTED FINANCIAL INFORMATION RELATING TO BNP PARIBAS

Set out below is selected financial information relating to BNP Paribas. Further information relating to BNP Paribas can be found in the BNP Paribas Disclosure. The selected financial information set out below must be read and considered with this Base Prospectus as a whole, including the documents incorporated by reference herein.

Selected Comparative Annual Financial Data- In millions of EUR

	31/12/2014	**31/12/2013**
	(Audited)	**(Audited)**
Revenues	39,168	38,409
Cost of risk	(3,705)	(3,801)
Net income, Group share	157	4,818
Common Equity Tier 1 Ratio (Basel 3 fully loaded, CRD4)	10.3%	10.3%
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

Selected Comparative Unaudited Interim Financial Data for the nine-month period ended 30 September 2015 – In millions of EUR

	30/09/2015	**30/09/2014***
Revenues	32,489	29,018
Cost of risk	(2,829)	(2,693)
Net income, Group share	6,029	(1,220)

*Restated

	30/09/2015	**31/12/2014**
Common Equity Tier 1 Ratio (Basel 3 fully loaded, CRD4)	10.7%	10.3%
Total consolidated balance sheet	2,145,416	2,077,758
Consolidated loans and receivables due from customers	676,548	657,403
Consolidated items due to customers	657,143	641,549
Shareholders' equity (Group share)	94,788	89,458

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

DESCRIPTION OF BNP PARIBAS ARBITRAGE S.N.C.

BNP Paribas Arbitrage S.N.C. is a wholly owned subsidiary of BNP Paribas. It is involved in dealing on its own account in equities and equity derivatives and stock borrowing and lending, receiving and transmitting orders for third parties, placement, underwriting and investment advice (decision of the *Comité des Etablissements de Crédit et des Entreprises d'Investissement* – CECEI dated April 9, 2002). It trades on the main international financial markets and is, in particular, a major dealer in equities on the U.S., French, British, Swiss, German, Dutch, Belgian, Italian and Spanish stock exchanges.

BNP Paribas Arbitrage S.N.C. is organised as a French partnership *Société en Nom Collectif* (S.N.C.), with capital of EUR323,753,355, whose registered office is located at 160-162 boulevard Macdonald 75019 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number 394 895 833.

The capital of BNP Paribas Arbitrage S.N.C. is held by three partners (*associés*):

TAITBOUT PARTICIPATION 3, *Société en Nom Collectif*, whose registered office is located at 1 Boulevard Haussmann - 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number 433 912 250, holds 99.996% of the BNP Paribas Arbitrage S.N.C. capital;

BNP PARIBAS, *Société Anonyme*, whose registered office is located at 16 boulevard des Italiens 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number 662 042 449, holds 0.002% of the BNP Paribas Arbitrage S.N.C. capital;

Société ANTIN PARTICIPATION 5, *Société par Actions Simplifiée*, whose registered office is located at 1 Boulevard Haussmann - 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number 433 891 678, holds 0.002% of the BNP Paribas Arbitrage S.N.C. capital.

The manager (*Gérant*) of BNP Paribas Arbitrage S.N.C. is BNP Paribas, whose permanent representative (*Représentant Permanent du Gérant*) is Mr. Yann Gerardin.

Sociétés en Nom Collectif are governed by articles L221-1 to L221-17 of the Code of Commerce, related to commercial companies. Article L221-1 expressly states that the partners of a S.N.C. are indefinitely, jointly and severally liable for the debts of the S.N.C. This joint and several obligation exists for each partner of the S.N.C., whatever the amount of the S.N.C.'s capital such partner holds, so that each creditor of a S.N.C. may require from any of the partners of such S.N.C. the payment of the aggregate amount of its debt against the S.N.C. This obligation is attached by law to the qualification of a person as a partner of a S.N.C. Thus, in the event BNP Paribas Arbitrage S.N.C. is in default in the performance of any of its obligations toward a third party, BNP Paribas will be liable towards such third party as if BNP Paribas, itself, had directly underwritten such an obligation.

DESCRIPTION OF BNP PARIBAS FORTIS SA/NV

*The information contained in this section relates to and has been obtained from BNP Paribas Fortis SA/NV ("**BNP Paribas Fortis**"). The information concerning BNP Paribas Fortis SA/NV contained herein is furnished solely to provide limited introductory information regarding BNP Paribas Fortis SA/NV and does not purport to be comprehensive.*

The delivery of information contained in this section shall not create any implication that there has been no change in the affairs of BNP Paribas Fortis SA/NV since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

BNP Paribas Fortis SA/NV, incorporated in Belgium on 5 December 1934, is a public company with limited liability (naamloze vennootschap/société anonyme) under Belgian law. The registered office of the company is located at 1000 Brussels, Montagne du Parc 3, where its headquarters are based and its telephone number is +322 433 4131 (for French speakers)/+322 433 3134 (for Dutch speakers). BNP Paribas Fortis has been established for an indefinite period.

BNP Paribas Fortis is owned for 99.93 per cent. by BNP Paribas, and for 0.07 per cent. by minority shareholders.

BNP Paribas Fortis offers a comprehensive package of financial services through its own channels and via other partners to private, professional and wealthy clients in the Belgian market, as well as in Luxembourg, Poland and Turkey. BNP Paribas Fortis also provides corporations and public and financial institutions with customised solutions, for which it can draw on BNP Paribas' know-how and international network. In the insurance sector, BNP Paribas Fortis works closely with the Belgian market leader AG Insurance, in which it owns a 25 per cent. stake.

BNP Paribas Fortis has built up a strong presence in the retail and private banking market, operating through a variety of distribution channels. In Belgium the company delivers universal banking and insurance services and solutions to its retail customers. In other countries, the product offer is tailored to specific customer segments. Private Banking offers integrated and international asset and liability management solutions to high net worth individuals in Belgium, their businesses and their advisers.

BNP Paribas Fortis also offers financial services to companies and institutional clients and provides integrated solutions to enterprise and entrepreneur. Corporate and Public Banking Belgium fulfils the financial needs of corporate and midcap enterprises, public entities and local authorities through an integrated international network of business centres.

DESCRIPTION OF BANCA NAZIONALE DEL LAVORO S.P.A.

BNL, incorporated as BNL Progetto SpA by deed dated 1 February 2007, took on the name "Banca Nazionale del Lavoro SpA" following the contribution of the "commercial bank" business line by the grantor company "Banca Nazionale del Lavoro SpA", effective from 1 October 2007.

The latter, founded in 1913 as "Istituto di Credito per la Cooperazione", with a primary mission to finance Italian cooperative companies, was renamed as "Banca Nazionale del Lavoro" on 18 March 1929, and, on 25 July 1992, became a joint stock corporation, pursuant to the resolution of the Shareholders' meeting of 30 April 1992. On 1 October 2007, immediately following the transfer of the line of business, BNL joined the large international group BNP Paribas S.A..

It should be noted that in 2011 the planned integration of BNP Paribas Personal Finance S.p.A. ("PF Italia") with BNL SpA was finally completed, following the approval of a merger by incorporation of PF Italia and its residual operations into BNL.

Business Partner Italia, a new company established to provide specialised, top-level services to all companies in the BNP Paribas Group in Italy, with a view to partnership and transversal integration, started operations on 1 October 2014. The demerger of BNPP IP SGR S.p.A. is also in the process of being authorised by CONSOB and the Bank of Italy. This will bring to BNL the business line concerning the management of individual asset portfolios.

BNL's name is "Banca Nazionale del Lavoro SpA" and, in its corresponding contracted form, "BNL SpA" (as referred to in art. 1 of the Articles of Association). Its commercial name is "BNL".

BNL was established as "BNL Progetto S.p.A." with deed by Notary Liguori in Rome, on 1 February 2007, and the company name was changed to "Banca Nazionale del Lavoro S.p.A." on 1 October 2007.

Pursuant to art. 3 of the Articles of Association, the duration of BNL is set until 31 December 2050.

BNL is a joint stock corporation (società per azioni) established under the laws of the Republic of Italy. BNL operates under the laws of the Republic of Italy.

The registered office and General Administrative Office of BNL SpA are in Via V. Veneto 119, Rome, Italy, telephone number +39 06-47021.

Overview

BNL’s main businesses, pursuant to article 4 of the Articles of Association, consist in raising capital and various forms of lending, in Italy and internationally, and performing any other financial services, in compliance with the specific regulations for each service, as well as connected and instrumental activities. BNL may also issue bonds and other similar financial instruments, in compliance with current national law, and set up open-end funds pursuant to the relevant applicable law.

Organisational Structure

ACTIVITIES

BNL SpA - subject to the management and coordination by BNP Paribas S.A - is the holding company of the BNL Banking Group, whose main activities consist in traditional banking business (carried out by BNL SpA and Artigiancassa SpA), trading on own account and for third parties in securities and currencies, offering insurance products (carried out by BNL SpA), merchant acquiring (carried out by BNL POSitivity Srl) and consumer credit (BNL Finance S.p.A). Business Partner Italia, a new company established to provide specialised, top-level services to all companies in the BNP Paribas Group in Italy, with a view to partnership and transversal integration, started operations on 1 October 2014.

Please find hereunder a list of the companies in the BNL Group, classified according to business segment, as of 31 December 2014:

BNL S.P.A. BANKING GROUP AS OF 31/12/2014
Banks
Artigiancassa S.p.A
Credit financing
BNL Finance S.p.A
Financial and others
BNL POSITIVITY S.r.l
VELA OBG S.r.l
Instrumental companies
EUTIMM S.r.l
Business Partner Italia SCPA
Company in liquidation
Tamleasing S.p.A in liquidazione

As of 1 October 2015 the Bank's Central Management organisational structure is comprised of the following:

- **Functions**, which oversee the markets and support BNL's sales and marketing activities;
- **Divisions**, which oversee BNL's governance processes.

The following structures operate as Business Lines:

- the **Retail and Private Division and the Corporate Division**, with the main purpose of achieving the contribution, distribution, commercial, financial and customer satisfaction targets. They are also responsible for supervising the quality and cost of the credit risk and for monitoring/reducing operational risk for their assigned customers. Each division ensures the coordination of the territorial network and the development of synergies within the entities of the BNP Paribas Group.
- the **BNPP-BNL Corporate and Institutional Banking Division** is responsible for implementing the corporate institutional banking global business model, within the main lines of business. The Division also has the goal of achieving the commercial, financial and customer satisfaction targets, supervising the quality and cost of credit risk and monitoring/reducing operational risk for its assigned customers.
- **Investment Solutions Italia** focuses on implementing the global business model of the product companies, which operate in asset management, real estate and life insurance.

The following structures operate as functions overseeing the relevant governance procedures:

- *Compliance Department;*
- *Communication Department;*
- *Financial Department;*
- *Real Estate Department;*
- *IT Department;*
- *Legal Department;*
- *Operations Department;*
- *Risks Department;*
- *Human Resources Department;* and

- *Inspection Générale – Hub Italy.*

The organisational structure of the general management includes the officers below, who report directly to the Managing Director:

- **Chief Operating Officer** (COO), responsible for ensuring united governance when managing "the operating machine", by coordinating the Human Resources Department, the IT Department, the Operations Department and the Territorial Department Network Services;
- **Chief Financial Officer** (CFO), responsible for the Financial Department, the Real Estate Department and the ALM Treasury.

The Distribution Network is comprised of the departments which are set out below:

- **4 Territorial Retail and Private Departments** (North West, North East, Central, South), responsible for achieving the contribution, distribution, financial, customer satisfaction, relevant credit quality and cost of risk targets, in line with compliance requirements;
- **4 Territorial Corporate Departments** (North West, North East, Central, South), responsible for achieving the relevant contribution, commercial, financial, customer satisfaction, relevant credit quality and cost of risk targets;
- **4 Risk Territorial Departments** (North West, North East, Central, and South), responsible for overseeing the activities aimed at formulating credit opinions, monitoring and providing specialist technical support for commercial roles, where necessary.
- **1 Territorial Department Network Services**, responsible for achieving the objectives of effectiveness and efficiency in the delivery of administrative services, in order to optimize costs and to oversee the relevant operational, reputational and commercial risks.

LEGAL PROCEEDINGS

Legal civil proceedings, administrative proceedings and arbitral proceedings

In the ordinary course of business, BNL and several of its subsidiaries are involved in various legal civil proceedings (including proceedings concerning the capitalization of interest, see below, derivatives and bonds) and administrative proceedings, with consequent exposure to the risks of sanctions against and/or compensation due from the BNL Group. The BNL Group posts an accrued liability for litigation matters in its balance sheet when these matters present contingent losses that may arise from pending proceedings, also taking into account the evaluation by any outside counsel handling the matter.

As of 31 December 2014, the accrued liability amounted to 261,719,000 euro.

Proceedings concerning the capitalisation of interests

BNL is involved in numerous legal proceedings (about 870) concerning the request for recovery of amounts paid by depositors of the Bank, due to the capitalization of interest, before 2000 (in 2000, the law introduced the capitalization of interest income in favour of depositors, at the same frequency as those of interest expense).

Claw-back proceedings

Claw-back actions are brought before the Courts, with respect to the 6 months or year before the customer was subject to default procedures, to order BNL to pay back the amounts credited to customers' accounts or to obtain a declaration of ineffectiveness of the acquired guarantees.

The average duration of these proceedings is estimated to be around 12 years (3-4 years for the first instance; 2-3 years for the second instance and 4-5 years for the Court of Cassation).

In the event of adverse outcomes of the proceedings, should unfavourable events occur that may result in

negative forecasts or, in any event, periodically, BNL is required to allocate provisions in the amount corresponding to the expected expense.

The relevant risk provision (IAS) is equal to about 40% of the nominal value of the pending proceedings and is deemed to be appropriate with respect to the results over the last five years.

Rulings declaring the inapplicability of guarantees produce negative impacts on the expectations of recovery of loans that are accordingly written down by amounts equal to the amount deemed irrecoverable.

As at 31 December 2014 there were a total of 250 claw-back proceedings with respect to BNL (291 as at 31 December 2013), with a total amount demanded of 314 million euro (445 million euro as at 31 December 2013) and the risk provisions amount to 125 million euro (144 million euro as at 31 December 2013)..

Actions of the Supervisory Authorities

In the ordinary running of its business, the Banking Group is subject to inspections by its supervisory authorities, some of which are still underway. Although unfavourable outcomes as a consequence of these actions cannot be ruled out, based on the information available at the date of this document, no significant potential liabilities are deemed to exist that could jeopardise the fulfilment of obligations to investors deriving from the issue of the Securities.

Bank of Italy inspections of the Banking Group

As regards the internal rating system, in October 2013, the *Autorité de Control Prudentiel et de Résolution*, along with the Bank of Italy, approved the use of the internal rating system for the purpose of calculating the capital requirements for the BNL "Corporate" and "Sovereigns" portfolios. The capital requirement was first reported with the internal rating methodology on the figures as at 31 December 2013.

In 2014, the activities continued for the Internal Ratings Based Approach authorisation of the "Retail" and "Supervised Intermediaries" portfolios (limited to the bank sector), and are still under way.

Also in 2014, the Asset Quality Review (AQR) was conducted by the Joint Supervisory Team, composed of staff from the Bank of Italy and the European Central Bank (ECB). The review of the credit portfolio of the BNL Group did not result in any significant corrections (see "Credit Risk").

The Banking and Financial Supervisory Area of the Bank of Italy, as the authority in charge of checking the compliance of supervised parties with the anti-money laundering provisions, in November and December 2013 conducted routine inspections pursuant to art. 53 of Legislative Decree 231/2007, at the Prato Branches 1 and 2. As the Supervisory Body did not receive any final report, these inspections can be deemed concluded.

With reference to Artigiancassa Spa, a Group company that was inspected in 2013 pursuant to art. 54 of the Consolidated Banking Act, the actions taken have allowed the points raised by the Bank of Italy to be substantially resolved, as periodically reported to the regulator. These activities continue, aimed at fulfilling the pending commitments.

At the date of this document, 2 sanction proceedings of the Bank of Italy are pending in relation to past supervisory activities (started in 2009 and 2011, respectively): appeals have been lodged and BNL is waiting for the various procedures to be settled. A third sanction proceeding (started in 2005) was concluded with confirmation of the sanction.

In 2014 the Italian authority for the supervision of private insurance (IVASS) conducted an audit of BNL with regard to the insurance brokerage activity regarding the policies connected to mortgages, loans and financing. On conclusion of this audit, findings and observations were formulated, which the Bank followed with its own counterclaims and the adoption of corrective measures (which were recently the subject of an additional audit by IVASS). These proceedings are still pending.

MATERIAL CONTRACTS

BNL has not entered, outside the ordinary course of its business, any contract which is material to BNL's ability to meet its obligation to security holders in respect of the Securities which it may guarantee.

SELECTED ANNUAL FINANCIAL INFORMATION

BNL's key capital and economic ratios, calculated on the basis of the audited consolidated financial statements as of 31 December 2014 and 31 December 2013 are set out below.

Table 1: Own funds and consolidated solvency ratios

(in millions of euro and %)	31/12/2014		31/12/2013	% Change
	phased in	**fully loaded**	**fully loaded**	**fully loaded**
Common Equity Tier 1 (CET1)	5,302	4,871	4,788	1.7
Additional Tier 1 (AT1)	234	0	0	n/s
Tier 1 capital	5,536	4,871	4,788	1.7
Tier 2 capital (T2)	1,021	1,050	1,174	-10.6
Own Funds	6,557	5,921	5,962	-0.7
Credit and counterpart risk	46,921	46,921	53,360	-12.1
Risk of credit valuation adjustment	145	145	286	-49.3
Settlement risk	0	0	0	n/s
Market risk	103	103	140	-26.4
Operational risk	3,299	3,299	3,096	6.6
Risk-weighted assets	50,468	50,468	56,882	-11.3
CET 1 capital ratio	10.5	9.7	8.4	
Tier 1 Capital Ratio	11.0	9.7	8.4	
Total Capital Ratio	13.0	11.7	10.5	
Risk-weighted assets/Total Assets	62.8%		66.9%	

Table 1 shows the most significant data processed as of 31 December 2014, in the two versions: "phased in", which quantifies capital obtained by applying the phase in rules, and "fully loaded", which projects the capital figure without considering the phase in rules that spread out the impacts of the move from Basel 2 regulations to those of Basel 3. The data in question are compared with those for 2013 which, calculated based on the previous regulations, were restated "pro-forma".

As of 31 December 2014 the BNL Group's levels of regulatory capital were as follows:

- "phased in" CET 1 capital ratio of 10.5% ("fully loaded" ratio of 9.7% compared to 8.4% pro-forma for 2013);
- "phased in" Tier 1 capital ratio of 11% ("fully loaded" ratio of 9.7% compared to 8.4% pro-forma for 2013);
- "phased in" Total Capital Ratio of 13% ("fully loaded" ratio of 11.7% compared to 10.5% pro-forma for 2013).

Table 2: Principal consolidated credit risk ratios

(%)

	31/12/2014	31/12/2013	System average data 2014 (*)	System average data 2013 (**)
Gross doubtful loans / Gross loan to customers	10.5	8.4	8.3	6.9
Net doubtful loans / Net loan to customers	4.4	3.7	n.a.	n.a.
Gross impaired loans / Gross loan to customers	18.0	16.0	15.8	13.7
Net impaired loans / Net loan to customers	10.3	9.7	n.a.	n.a.
Coverage ratio of impaired loans	47.9	43.6	40.8	37.3
Coverage ratio of doubtful loans	62.0	59.1	56.9	55.0
Net doubtful loans/Shareholders' equity	48.7	42.4	n.a.	n.a.
Cost of risk: Adjustments on loans/net loans to customers	1.84	1.54	n.a.	n.a.
Significant exposures (1)/net loans (2) ratio	3.7	4.7	n.a.	n.a.
Significant exposures - Number of customers	6	10	n.a.	n.a.

(*) source: Bank of Italy - Financial Stability Report no. 1, April 2015 - TAB. 3.1 Large banks

(**) source: Bank of Italy - Financial Stability Report no. 1, May 2014 - TAB. 3.1 Large banks

[1] amounts weighted according to the supervisory regulations in force

[2] net loans comprise the sum of the amounts as at 31 December of items 60. Loans to banks and 70. Loans to customers

The level of hedging of **impaired loans** (47.9%) is among the highest within the cluster comprising Italian medium/large banks.
In detail, **doubtful loans** stand at 7,122 million in gross values (+23.3%) and at 2,704 million euro in net values (+14.5%). The coverage ratio comes to 62% and their impact on total loans to customers increased from 3.7% to 4.4%.
Substandard loans, amounting to 2,619 million euro net of adjustments, decreased by 3.6% compared to 2,718 million euro as of 31 December 2013. Their level of hedging is 31.8%, while the impact on customer loans is 4.2%.
Restructured loans net of value adjustments increased by 118 million euro during the period, reaching 539 million euro (421 million euro at the end of 2013). Their level of hedging is 19.9%.
The value of **past due loans** came to 604 million euro before adjustments (818 million euro as of 31 December 2013) and 509 million euro net (compared to 693 million euro). Their level of hedging is 15.7%.

Exposure to Governments and Other Public Entities

Table 2.1 - Financial assets available for sale

(thousands of euro)

Items/Values	31/12/2014	31/12/2013
1. Debt securities	**3,588,046**	**2,885,917**
a) Governments and Central Banks	3,588,046	2,885,917
b) Other Public Entities		
Impact on total financial assets available for sale	92.2%	83.8%

Debt securities included in the sub-item "Governments and Central Banks" exclusively comprise BTP issued by the Italian Government, amounting to 4.47% of "total assets" on the balance sheet (80,330 million euro).

Table 2.2 - Loans to customers (net loans)

(thousands of euro)

Transaction type/Values		31/12/2014	31/12/2013
1.	**Debt securities**	**244,336**	**259,261**
a)	Governments	-	7,255
b)	Other Public Entities	244,336	252,006
2.	**Loans to:**	**2,702,199**	**3,042,949**
a)	Governments	90,194	114,799
b)	Other Public Entities	2,612,005	2,928,150
Total		**2,946,535**	**3,302,210**
Impact on total net loans to customers		4,75%	5,18%

Loans to customers in the sub-item "Governments" refer exclusively to relationships with the Italian government, amounting to 0.11% of “total assets” on the balance sheet.

Table 2.3 - Financial assets held for trading

(thousands of euro)

Items/Values	31/12/2014	31/12/2013
A. On-balance sheet assets		
1. Debt securities	**3,706**	**46,980**
a) Governments and Central Banks	1,576	46,980
b) Other public entities	2,130	-

Financial assets held for trading include debt securities issued by Governments and Central Banks and by other public entities for a total of 3,706 thousand euro, which amount to less than 0.01% of “total assets” on the balance sheet.

Table 3: Main figures of the consolidated income statement:

(millions of euro)

	FY 2014	FY 2013	% change
Net interest income	**1,829**	**1,783**	**+ 2.6**
Net banking income	**2,856**	**3,013**	**- 5.2**
Operating expenses	(1,747)	(1,776)	- 1.6
in particular: restructuring costs	(75)	(88)	- 14.8
Gross operating result	**1,109**	**1,237**	**- 10.3**
Cost of risk	(1,211)	(1,146)	+ 5.7
Net operating result	**(102)**	**91**	**n/s**
Income taxes	(9)	2	n/s
Profit (Loss) for the year attributable to minority interests	-	(1)	n/s
Profit (Loss) for the year pertaining to the parent company	**(111)**	**92**	**n/s**

The difficult and persistently negative macroeconomic scenario experienced in Italy, with a continuing, though attenuating, recession, affected the overall operations of the banking system and the relevant revenue sources, mainly due to the slowdown in operations with customers and the deterioration of asset quality, the latter to a lesser extent than in the previous year.

In this difficult context, the BNL Group closed 2014 with a **net loss** of 111 million euro compared to net profit of 92 million euro in 2013.
Nonetheless, in response to the continuing economic recession, the BNL Group implemented reorganisation and commercial repositioning to contain operating costs, increase efficiency and safeguard the level of profitability undermined, as stated, by the high cost of risk.

Table 4: Main consolidated balance sheet figures

(millions of euro)

	FY 2014	FY 2013	% change
Direct deposits (1)	44,944	45,985	- 2.3
Asset administration (2)	18,972	24,067	- 21.2
Total customer financial assets	63,916	70,052	- 8.8
Financial assets (3)	7,053	6,007	+ 17.4
Loans (4)	66,709	72,596	- 8.1
Total assets (*)	80,330	85,008	- 5.5
Total liabilities (*)	74,772	79,435	- 5.9
Shareholders' equity	5,558	5,573	- 0.3

(1) This includes debts to customers, outstanding securities and financial liabilities carried at fair value (structured securities).
(2) Other third parties securities on deposit (not including services of management of investment portfolios)

(3) This includes Financial assets held for trading (item 20) and Financial assets available for sale (item 40)

(4) This includes Loans to banks (item 60) and Loans to customers (item 70)

(*) Total assets are recognised based on the official layout as per Bank of Italy regulations
(**) Total liabilities, which do not include Shareholders' Equity, are recognised based on the official layout as per Bank of Italy regulations

The **net balance of the interbank activity**, which includes operations with the parent company BNP Paribas, was a negative 16,823 million euro, against 17,489 million euro in 2013 (-3.8%).

(millions of euro)

	31/12/2014	31/12/2013	% change
Loans to banks	4,711	8,859	- 46.8
in particular: loans to BNP Paribas	*3,030*	*7,958*	*- 61.9*
loans to third parties	*1,681*	*901*	*+ 86.6*
Deposits from banks	(21,534)	(26,348)	- 18.3
in particular: deposits from BNP Paribas	*(9,864)*	*(12,125)*	*- 18.6*
funding from ECB	*(9,871)*	*(12,000)*	*- 17.7*
deposits from third parties	*(1,799)*	*(2,223)*	*- 19.1*
Total net interbank position	**(16,823)**	**(17,489)**	**- 3.8**
in particular: relations with BNP Paribas	*(6,834)*	*(4,167)*	*+ 64.0*

relations with ECB	*(9,871)*	*(12,000)*	*- 17.7*
relations with third parties	*(118)*	*(1,322)*	*- 91.1*

The **Group's equity**, gross of the portion belonging to third-party shareholders (6 million euro) (including the Group's loss for the year of 111 million euro), amounted to 5,558 million euro as at 31 December 2014, essentially in line with the 5,573 million euro recorded at the start of the year (-0.3%).

(millions of euro)

Shareholders' equity as of 31/12/2013	**5,573**
Net increase:	96
- net change in valuation reserve	*101*
- stock options	*(5)*
Profit (Loss) for the year pertaining to the Group	(111)
Shareholders' equity as of 31/12/2014	**5,558**

MANAGEMENT

BNL has adopted the traditional model, set forth in article 2380, paragraph 1 of the Italian Civil Code. BNL complies with the applicable corporate governance regulations of the Republic of Italy.

Board of Directors

The Board of Directors may be composed of a minimum of 5 members up to a maximum of 16 members.

The ordinary shareholders' meeting, held on 27 April 2015, appointed the Board of Directors for the fiscal years 2015-2017, which will be in office until the meeting to approve the financial statements for the fiscal year 2017.

The members of the Board of Directors, in office as of the date of 7 November 2015 and the list of the main activities performed outside BNL, which are deemed to be significant with respect to BNL's businesses, are set forth in the following table:

Name	**Function within BNL**	**Principal activities performed outside BNL, which are deemed to be significant with respect to BNL's businesses**
ABETE, Luigi	Chairman	CEO of A.BE.T.E. SpA, Chairman I.E.G. Italian Entertainment Group SpA, Civita Cultura S.r.l Deputy Chairman of Cinecittà Entertainment SpA
ABRAVANEL, Roger	Director	Member of the Boards of Directors of Coesia SpA and Teva Pharmaceutical Industries Ltd
CLAMON, Jean	Director	No offices
COSSA-DUMURGIER, BÉATRICE	Director	BNP Paribas SA – Domestic Markets et International Financial Services Chief Operating Officer Retail Banking
GIROTTI, Mario	Director	Chairman of Ifitalia SpA, Acting Deputy Chairman of Artigiancassa SpA and Chairman of Servizio Italia SpA
LABORDE, Thierry	Director	Member BNP Paribas Executive Committee, Senior Vice President BNP Paribas; Head of Domestic Markets BNP Paribas

LEMÉE, Bernard	Director	No offices
MAZZOTTO, Paolo	Director	Chairman of the BNL Foundation
MERLO, Silvia	Director	CEO of Merlo SpA and Tecnoindustrie Merlo SpA, Member of the Board of Directors of Finmeccanica SpA
SABET, Jean-Paul	Director	Deputy Head, Responsible for Retail businesses in CEE, Turkey and Asia, IRB Strategy & Development

On 25 June 2015 the Board of BNL appointed Angelo Novati Acting Deputy General Manager and on 13 July 2015, following the resignation of the Managing Director Fabio Gallia, he assumed the powers entrusted to him by said Board of 25 July 2015, and thus the operational functions of General Manager.

Updates on the composition of the Board will be publicly available, published from time to time on BNL's website.

All members of the Board of Directors fulfil the expertise, integrity and independence requirements established by the current laws, regulations and provisions of BNL's Articles of Association.

All members of the Board of Directors, for the purposes of their role, have elected domicile at BNL's registered office.

Supervisory Board

The ordinary Shareholders' meeting, held on 24 April 2013, appointed the Board of Statutory Auditors, as for the fiscal years 2013-2015, which will be in office until the Shareholders' meeting to approve the financial statements for the fiscal year 2015, composed of three Standing Auditors and two Alternate Auditors.

The members of the Board of Statutory Auditors, in office as of the date of this document and the list of the main activities performed outside BNL, which are deemed to be significant with respect to BNL's businesses, are set forth in the following table:

Name	**Function within BNL**	**Principal activities performed outside the BNL, which are deemed to be significant with respect to BNL's businesses**
PICCINELLI, Pier Paolo	Chairman of the Board of Statutory Auditors	Chairman of the Board of Statutory Auditors of Maire Tecnimont SpA and Quanta Agenzia per il Lavoro Spa Standing Auditor of RS Components SpA
MAISTO, Guglielmo	Standing Auditor	Standing Auditor of Vodafone B.V.
PARDI, Marco	Standing Auditor	Chairman of the Boards of Statutory Auditors of Blu Sistemi S.r.l; Life Science Capital SpA
NACCARATO, Giovanni	Alternate Auditor	Chairman of the Boards of Statutory Auditors of ICQ Holding Spa and Agenzia Sviluppo Provincia di Roma Scarl
SERRENTINO, Roberto	Alternate Auditor	Chairman of the Board of Statutory Auditors of ASTRAL SpA; Standing Auditor of Ansaldo Breda SpA and Cinecittà Entertainment SpA

Updates on the composition of the Board of Statutory Auditors will be publicly available, published from time to time on the BNL's website.

All members of the Board of Statutory Auditors fulfil the expertise, integrity and independence requirements established by the current laws, regulations and provisions of BNL's Articles of Association.

For the purposes of their role, all the members have elected domicile at the registered office of BNL.

Conflicts of interest

Administrative, management and supervisory bodies conflicts of interests are handled in compliance with article 2391 of the Italian Civil Code, article 136 of the Legislative Decree No. 385/93 as amended, taking into account the provision in article 2497-ter of the Italian Civil Code. When specifically stated by law, these interests are considered in BNL's financial statements.

Considering the obligation of disclosure for the members of the management and Board of Statutory Auditors, as at 27 November 2015, BNL is not aware of any relevant potential conflicts of interest between the duties to BNL of the members of administrative, management and supervisory bodies listed in paragraph and their private interests or other duties.

MAJOR SHAREHOLDERS

As at 27 November 2015, BNP Paribas S.A. holds 100% of BNL's capital.

BOOK ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, for the purposes of this section, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor (if applicable) believe to be reliable, but none of the Issuer, the Guarantor (if applicable) nor any Dealer takes any responsibility for the accuracy thereof Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor (if applicable) nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Transfers of Securities represented by Registered Global Notes and Registered Global Warrants respectively

Transfers of any interests in Notes represented by a Registered Global Note, interests in Warrants represented by a Registered Global Warrant or interests in Certificates represented by a Registered Global Certificate within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes, Registered Global Warrants and Registered Global Certificates among participants and accountholders of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor (if applicable), the Agents or any Dealer will be responsible for any performance by Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes, in the Warrants represented by Registered Global Warrants or in the Certificates represented by Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

The statements herein regarding taxation are based on the laws in force in Luxembourg, France, the United Kingdom, Poland, Germany, Italy and Belgium, 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 and it is not intended to be, nor should it be construed to be, legal or tax advice. Each prospective holder or beneficial owner of Securities should consult its tax adviser as to the effect of the state, local or foreign laws, including the tax laws of Luxembourg, France, the United Kingdom, Poland, Germany, Italy and Belgium, as applicable, of any investment in or ownership and disposition of the Securities.

The following statements regarding taxation may be modified by the Issuer and the relevant Dealer(s) following a change in the relevant law, regulation or directive and in certain other circumstances as may be agreed between the Issuer and the relevant Dealer(s). Any such modification will be set out in a Supplement to this Base Prospectus and (if applicable) the syndication agreement in respect of the Series (and/or Tranche, as the case may be) to which it is related.

1. EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other 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. 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 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 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 that indirectly benefit an individual resident in a Member State 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 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 proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If, following implementation of the Savings Directive or the Amending Directive, a payment in respect of the Securities were to be made or collected through a 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 any paying agent nor any other person would be obliged to pay additional amounts with respect to any

Security as a result of the deduction or imposition of such withholding tax pursuant to the Savings Directive or the Amending Directive.

For these purposes, the term "**paying agent**" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive or the Amending Directive, for the immediate benefit of individuals.

2. THE EU FINANCIAL TRANSACTIONS 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 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.

3. LUXEMBOURG TAXATION

Withholding Tax

(a) Non-resident Holders of Securities

Under Luxembourg general tax law currently in force there is no withholding tax on payments of principal, premium or interest made to non-resident Holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Securities held by non-resident Holders of Securities.

(b) **Resident Holders of Securities**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 mentioned below (as amended), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident Holders of Securities.

Under the law of 23 December 2005, as amended, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the law of 23 December 2005, as amended would be subject to withholding tax of 10 per cent. Individuals beneficial owners resident in Luxembourg may opt for a final withholding of 10 per cent. on eligible interest income received from a paying agent established in an EU Member State, EEA State (Iceland, Liechtenstein and Norway) or in a State which has concluded an agreement with Luxembourg introducing measures equivalent to those of the EC Council Directive 2003/48/EC on the taxation of savings income.

Taxes on Income and Capital Gains

A holder of the Securities who derives income from such Securities or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains unless:

(a) such holder is, or is deemed to be, resident in Luxembourg for the purposes of the relevant provisions; or

(b) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on a holder of the Securities unless:

(a) such holder is a company resident in Luxembourg for the purpose of the relevant legal provisions, except under certain circumstances, if the holder of the Securities is governed by (i) the laws of 17 March 2010 on undertakings for collective investment or (ii) the law of 22 March 2004 in securitisation or (iii) the law of 15 June 2004 on the investment company in risk capital or (iv) the law of 11 May 2007 on the *Société de Gestion de Patrimoine Familial*; or

(b) such Securities are attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

Individual holder of Securities, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg net wealth tax on such Securities.

Inheritance and Gift Tax

Where the Securities are transferred for no consideration, note in particular that:

(a) no Luxembourg inheritance tax is levied on the transfer of the Securities upon death of a holder of the Securities in cases where the deceased holder was not a resident of Luxembourg for inheritance tax purposes; and

(b) Luxembourg gift tax will be levied on the transfer of the Securities by way of a gift by the holder of the Securities, as applicable, if this gift is registered in Luxembourg.

Value Added Tax

There is no Luxembourg value-added tax payable in respect of payments in consideration of the issue of the Securities or in respect of payments of interest or principal under the Securities or the transfer of the Securities, provided that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

Other Taxes and Duties

There is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the issue of the Securities or in respect of the payment of principal or interest under the Securities or the transfer of the Securities. If any documents in respect of the Securities are required to be registered in Luxembourg, they will be subject to a fixed registration duty.

Residence

A holder of the Securities will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Securities or the execution, performance, delivery and/or enforcement of that or any other Securities.

4. FRENCH TAXATION

EU Savings Directive (France)

The Savings Directive has been implemented in French law by article 242 *ter* of the French General Tax Code (*Code général des impôts*) and articles 49 I *ter* to 49 I *sexies* of the Schedule III to the French General Tax Code (*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.

Please refer to the section "EU Directive on the Taxation of Savings Income" above for more details.

French tax implications for the French resident Noteholders (or holders of Certificates constituting debt instruments for French tax purposes)

Once a French income tax resident has purchased Notes or applicable Certificates (which would not of itself trigger any French income tax consequences), the French income tax consequences of the holding, conversion, and disposal of such Notes or Certificates, as the case may be, by such French tax resident Noteholder or Certificateholder would be as follows:

(i) **Tax consequences of the holding of Notes or applicable Certificates by a French resident Noteholder or Certificateholder, as the case may be,**

(i) with respect to French individual tax residents

Interest and assimilated income paid by the Issuer of Notes or Certificates to a French individual tax resident Noteholder or Certificateholder, as the case may be,

(1) would normally be subject to the progressive rates of French individual income tax (with a maximum tax rate amounting to 45 per cent. excluding any exceptional contribution to income tax that may be assessed in respect of individuals with taxable income over €250,000). In addition, such interest and assimilated income would also be subject to social charges amounting to 15.5 per cent.; but

(2) could be subject, upon election of the French individual tax resident Noteholder or Certificateholder, as the case may be, to French individual income tax withheld at source at the flat rate of 24 per cent., provided that (i) the amount of interest and assimilated income received by the tax abode ("*foyer fiscal*") of the French individual tax resident Noteholder or Certificateholder does not exceed €2,000 per year and (ii) that such interest and assimilated income would not be attributable to an enterprise carried on by the French income tax resident subject to French individual income tax. In addition, such interest and assimilated income would also be subject to social charges amounting to 15.5 per cent.;

(ii) with respect to French corporate tax residents

Interest and assimilated income incurred by the Issuer of Notes or Certificates to a French corporate tax resident Noteholder or Certificateholder, as the case may be, would be subject to (i) French corporate income tax at the normal rate of 33.1/3 per cent., (ii) the 3.3 per cent. additional social contribution on French corporate income tax, if applicable, and (iii) an additional contribution of 10.7 per cent. of the amount of the French corporate income tax applicable for fiscal years ending between 31 December 2011 and 30 December 2016 to companies with turnover exceeding €250 million.

(ii) **Tax consequences of the conversion of Notes or applicable Certificates by a French resident Noteholder or Certificateholder**

The conversion of Notes or applicable Certificates by a French individual or corporate tax resident Noteholder or Certificateholder would not have any French individual or corporate income tax consequences.

(iii) **Tax consequences of the disposal of Notes or applicable Certificates by a French resident Noteholder or Certificateholder**

(i) with respect to French individual tax residents

Any capital gain realised upon disposal of Notes or Certificates (or of shares resulting from the conversion of such Notes or Certificates) by a French individual tax resident Noteholder or Certificateholder, as the case may be, (assuming that such capital gain would not be attributable to an enterprise carried on by the French income tax resident subject to French individual income tax) would be subject to the progressive rates of French individual income tax (with a maximum tax rate amounting to 45 per cent. excluding any exceptional contribution to income tax that may be assessed in respect of individuals with taxable income over €250,000), and to French social charges at the flat rate of 15.5 per cent.

Furthermore, any capital gain realised upon disposal of shares resulting from the conversion of such Notes or Certificates by a French individual tax resident Noteholder or Certificateholder, as the case may be, could benefit for purposes of taxation to French individual income tax, from deferred taxation provided stringent conditions are met. In addition, any capital gain realised upon disposal of shares may benefit from a deduction for holding period of 50 per cent. if the shares have been held between 2 and 7 years, and 65 per cent. beyond.

(ii) with respect to French corporate tax residents

Any capital gain realised upon disposal of Notes or Certificates (or of shares resulting from the conversion of such Notes or Certificates) by a French corporate tax resident Noteholder or Certificateholder, as the case may be, would normally be subject to:

(1) French corporate income tax at the normal rate of 33.1/3 per cent.;

(2) the 3.3 per cent. additional social contribution on French corporate income tax, if applicable; and

(3) an additional contribution of 10.7 per cent. of the amount of the French corporate income tax applicable for fiscal years ending between 31 December 2011 and 30 December 2016 to companies with turnover exceeding €250 million.

Furthermore, any capital gain realised upon disposal of shares resulting from the conversion of such Notes or Certificates by a French corporate tax resident Noteholder or Certificateholder, as the case may be, could be exempted up to 88 per cent. from French corporate income tax to the extent that the capital gain might qualify as a "long term capital gain realised upon disposal of participation shares", that is to say a capital gain realised upon disposal of shares (i) qualifying as "participation shares" and (ii) held for a two-year period at least by the French corporate tax resident.

Payments made by the Guarantor (if applicable)

There is no direct authority under French law on the withholding tax status of payments by a French Guarantor (if applicable) under the Guarantee. In accordance with one interpretation of French tax law, payments made by a French Guarantor to a Noteholder or Certificateholder which is a non-French tax resident and which is not acting through a French establishment or branch may be treated as a payment in lieu of payments to be made by a French Guarantor with respect to the Notes or Certificates, as the case may be. Accordingly, under this interpretation payments made by a French Guarantor, of any amounts due by the Issuer under the Notes or Certificates, would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax, to the extent that interest payments made or to be made by the Issuer would be exempt from withholding tax by reason of it not being resident of, or otherwise established in, France.

In accordance with another interpretation, any such payment may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes or Certificates. In the absence of any specific provision in the French General Tax Code, such payments would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax.

French tax implications for the French resident Warrantholders (or holders of Certificates not constituting debt instruments for French tax purposes)

(i) With respect to French individual tax residents

(1) Net profit realised out of France in respect of Warrants or applicable Certificates

Net profit realised out of France in respect of Warrants or Certificates (which do not constitute *obligations* under French law or *titres de créances négociables* for French tax purposes, or other debt instruments issued under French or foreign law and fiscally similar thereto within the meaning of administrative guidelines BOI-RPPM-RCM-30-10-30-30-20140211 dated 11 February 2014, n°70) by a French individual tax resident Warrantholder or Certificateholder, as the case may be, (assuming that such payments would not be attributable to an enterprise carried on by the French income tax resident subject to French individual income tax) would be deemed as income from movable capital and subject to the progressive rates of French individual income tax (with a maximum tax rate amounting to 45 per cent. excluding any exceptional contribution to income tax that may be assessed in respect of individuals with taxable income over €250,000). In addition, such net profit would also be subject to social charges amounting to 15.5 per cent.

(2) Net profit realised in France in respect of Warrants or applicable Certificates

Net profit realised in France in respect of Warrants or Certificates (which do not constitute *obligations* under French law or *titres de créances négociables* for French tax purposes, or other debt instruments issued under French or foreign law and fiscally similar thereto within the meaning of administrative guidelines BOI-RPPM-RCM-30-10-30-30-20140211 dated 11 February 2014, n°70) by a French individual tax resident Warrantholder or Certificateholder, as the case may be, (assuming that such payments would not be attributable to an enterprise carried on by the French income tax resident subject to French individual income tax), would be deemed as non-commercial profit and subject to the progressive rates of French individual income tax (with a maximum tax rate amounting to 45 per cent. excluding any exceptional contribution to income tax that may be assessed in respect of individuals with taxable income over €250,000) if the French individual tax resident Warrantholder or Certificateholder, as applicable, invests on a regular basis or on an occasional basis.

In addition, such net profit would also be subject to social charges amounting to 15.5 per cent.

(ii) With respect to French corporate tax residents

Net profit realised in respect of Warrants or Certificates (which do not constitute *obligations* under French law or *titres de créances négociables* for French tax purposes, or other debt instruments issued under French or foreign law and fiscally assimilated thereto within the meaning of administrative guidelines BOI-RPPM-RCM-30-10-30-30-20140211 dated 11 February 2014, n°70) by a French corporate tax resident Warrantholder or Certificateholder, as applicable, would be subject to (i) French corporate income tax at the normal rate of 33.1/3 per cent., (ii) the 3.3 per cent. additional social contribution on French corporate income tax, if applicable, and (iii) an additional contribution of 10.7 per cent. of the amount of corporate tax applicable for fiscal years ending between 31 December 2011 and 30 December 2016 to companies with turnover exceeding €250 million.

5. UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Securities and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment and stamp tax aspects of various payments in respect of Securities. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Securities. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of Securities will depend for each issue on the terms of the Securities, as specified in the Terms and Conditions of the Securities as amended and supplemented by the applicable Final Terms under the law and practice at the relevant time. Prospective Holders of Securities should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Securities.

Notes

Payment of interest on the Notes

Payments of interest on the Notes may be made without withholding on account of United Kingdom income tax if the interest on the notes does not have its "source" in the United Kingdom. The concept of "source" is complex but HM Revenue and Customs ("**HMRC**") published practice indicates that the primary factor is the jurisdiction of residence of the Issuer, in this case Luxembourg, which would indicate that the notes do not have a United Kingdom "source." In any event the Notes will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 (the "**ITA 2007**") provided that they carry a right to interest and as long as they are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the ITA 2007. The Luxembourg Stock Exchange is a recognised stock exchange for this purpose. Accordingly, even if the Notes do have a United Kingdom

"source", payments of interest on the Notes may be made without withholding on account of UK income tax provided the Notes remain so listed at the time of payment.

In all other cases (except in the case of payment of interest on Notes which is not "yearly interest" in which case interest can be paid without withholding or deduction for or on account of UK income tax), an amount must be withheld on account of income tax at the basic rate (currently 20 per cent.), subject to any direction to the contrary by HMRC under an applicable double taxation treaty, and except where the withholding obligation is disapplied in respect of payments to any Noteholder which the Issuer reasonably believes is either a UK resident company or a non UK resident company carrying on a trade in the UK through a permanent establishment which is within the charge to corporation tax as regards the interest, or falls within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless HMRC direct otherwise).

The attention of holders is drawn to Condition 9 (Taxation) of the Terms and Conditions of the Notes.

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2016. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

See also the section entitled "EU Savings Directive" below.

Stamp Duty and SDRT

Bearer Notes

A charge to United Kingdom stamp duty at 1.5 per cent. of the value of Notes will arise on the issue in the United Kingdom of Bearer Notes which are denominated in sterling and which are not loan capital. No United Kingdom stamp duty liability arises on the issue of such a Bearer Note outside the United Kingdom. However, a United Kingdom stamp duty liability at 1.5 per cent. will arise on the first transfer by delivery in the United Kingdom of such a Bearer Note which was originally issued outside the United Kingdom. Otherwise, no United Kingdom stamp duty will be payable in relation to the issue of Bearer Notes.

No United Kingdom stamp duty will be payable on transfers of Bearer Notes on sale provided no instruments of transfer are used to complete such sales.

No United Kingdom stamp duty will be payable on the redemption of Bearer Notes. United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset on redemption of a Bearer Note which is a Physical Delivery Note (a "**Physical Delivery Bearer Note**").

No SDRT will be payable in relation to an issue of Bearer Notes into a clearing system. No SDRT will be payable in relation to agreements to transfer Bearer Notes within a clearing system.

SDRT may be payable in respect of the agreement to transfer an asset pursuant to a Physical Delivery Bearer Note. However, any such liability to SDRT will be cancelled (or if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied, or if such instrument is not chargeable with stamp duty or otherwise required to be stamped.

Registered Notes

No United Kingdom stamp duty will be payable in relation to the issue of Registered Notes into a clearing system.

No United Kingdom stamp duty will be payable on transfers of Registered Notes on sale provided no instruments of transfer are used to complete such sales.

No SDRT will be payable in relation to an issue of Registered Notes into a clearing system. No SDRT will be payable in relation to the transfer of Registered Notes within a clearing system unless the clearing system makes an election under section 97 A to the Finance Act 1986.

No United Kingdom stamp duty or SDRT will be payable on to the redemption of Registered Notes. United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset on redemption of a Registered Note which is a Physical Delivery Note.

SDRT may be payable in respect of the agreement to transfer an asset pursuant to such a Registered Note. However, any such liability to SDRT will be cancelled (or if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied, or if such instrument is not chargeable with stamp duty or otherwise required to be stamped.

Warrants and Certificates

Withholding Tax

Payments on the Warrants and on the Certificates may be made without withholding on account of United Kingdom withholding tax if such payments on the Warrants or Certificates do not have their "source" in the United Kingdom. The concept of "source" is complex but HMRC published practice indicates that the primary factor is the jurisdiction of residence of the Issuer, in this case Luxembourg, which would indicate that the notes do not have a United Kingdom "source." If the payments on the Warrants or Certificates have a United Kingdom "source", there may be withholding on account of United Kingdom income tax.

Stamp Duty and SDRT

A Global Warrant or Global Certificate may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situate, or to any matter or thing done or to be done, in the United Kingdom. However, in the context of retail covered warrants listed on the London Stock Exchange, HMRC has indicated that no charge to United Kingdom stamp duty will arise on the grant of such warrants. It is not clear whether or not HMRC would be prepared to take such a view in relation to a Global Warrant or Global Certificate.

If a Global Warrant or Global Certificate is subject to United Kingdom stamp duty, but the stamp duty has not been paid, that Global Warrant or Global Certificate cannot be used for any purpose in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

If a Global Warrant or Global Certificate is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the relevant Global Warrant or Global Certificate to the date of payment of the stamp duty. Penalties may also be payable if a Global Warrant or Global Certificate which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom; or, if the Global Warrant or Global Certificate was executed in the United Kingdom, within 30 days of execution. If any United Kingdom stamp duty is required to be paid, it would be payable at a rate of 0.5 per cent. by reference to the amount of consideration given for the issue of Warrants

represented by the relevant Global Warrant, or the amount of consideration given for the issue of Certificates represented by the relevant Global Certificate, as applicable.

No SDRT will be payable on the issue of a Cash Settled Warrant or Cash Settled Certificate into a clearing system. SDRT may be payable in relation to the issue into a clearing system of a Physical Delivery Warrant or Physical Delivery Certificate which gives the holder an interest in, or rights arising out of, or the right to acquire, stocks, shares or loan capital, unless such stocks shares or loan capital would be exempt from all stamp duties.

SDRT may be payable in relation to any agreement to transfer Physical Delivery Warrants or Physical Delivery Certificates which give the holder an interest in, or rights arising out of, or the right to acquire, stocks, shares or loan capital, unless such stocks, shares or loan capital would be exempt from all stamp duties.

SDRT may be payable in respect of the agreement to transfer an asset pursuant to a Physical Delivery Warrant or Physical Delivery Certificate following the exercise or redemption of such Security. However, any such liability to SDRT will be cancelled (or, if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied, or if such instrument is not chargeable with stamp duty or otherwise required to be stamped.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other 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. 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 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 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 that indirectly benefit an individual resident in a Member State 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 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 proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If, following implementation of the Savings Directive or the Amending Directive, a payment in respect of the Securities were to be made or collected through a 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 any paying agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the deduction or imposition of such withholding tax pursuant to the Savings Directive or the Amending Directive.

For these purposes, the term "**paying agent**" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive or the Amending Directive, for the immediate benefit of individuals.

6. POLISH TAXATION

The following information of certain Polish taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following information does not purport to be a comprehensive description of all the tax consequences and considerations that may be relevant to acquisition, holding, disposing and redeeming of or cancelling (as applicable) the Securities, and does not purport to deal with the tax consequences applicable to all categories of investors.

The following information is not intended to be, nor should it be construed to be, legal or tax advice. It is recommended that potential purchasers of the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding, sale or redemption.

A. Taxation in Poland of Polish resident individuals

6.1 Polish resident individuals

A Polish tax resident individual ("**Polish Resident Individual**") is a natural person who has his/her centre of personal or business interests located in Poland or who stays in Poland for longer than 183 days in a year, unless otherwise results from the relevant tax treaty.

Polish Resident Individuals are subject to Polish Personal Income Tax ("**PIT**") on their worldwide incomes irrespective of the country from which the incomes were derived.

6.2 Taxation of income from the disposal of Securities

Income earned by Polish Resident Individuals on the disposal of Securities should be classified as capital gains realised on the sale of securities and as such it will not be combined with income from other sources but will be subject to the 19 per cent. flat PIT rate. The income is calculated as the difference between the revenue earned on the disposal of Securities (in principle, the selling price) and the related costs (in principle, the Issue Price). The tax is settled on an annual basis. An annual tax return should be filed by April 30 of the calendar year following the year in which the income was earned.

6.3 Taxation of income from the redemption of Notes or Certificates or cancellation of Warrants

Income earned by a Polish Resident Individuals on the redemption of Notes or Certificates or the cancellation of Warrants, as applicable, should not be combined with income from other sources and thus will be subject to the 19 per cent. flat PIT rate. The income is calculated as the difference between the revenue earned on the redemption of Notes or Certificates, as applicable (the "**Redemption Amount**") or on the cancellation of the Warrants (the "**Cancellation Amount**") and the related costs (in principle, the Issue Price). The tax is settled on an annual basis. An annual tax return should be filed by April 30 of the calendar year following the year in which the income was earned.

6.4 Taxation of interest under Securities

The amount of interest under Securities earned by a Polish Resident Individual should not be combined with income from other sources and will be subject to the 19 per cent. flat PIT rate. Unless a tax remitter withholds the tax, the tax is settled by Polish Resident Individual. An annual tax return should be filed by April 30 of the calendar year following the year in which the income was earned.

Withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

6.5 Securities held as business assets

If an individual holds Securities as business assets, in principle, interest and capital gains income should be subject to tax in the same way as other business income. The tax, at 19 per cent. flat rate or the 18 per cent. to 32 per cent. progressive tax rate depending on the choice and meeting of certain conditions by the individual, should be settled by the individual himself/herself.

B. Taxation in Poland of Polish resident entities

6.6 Polish resident entities

Entities having their seat or place of management in Poland ("**Polish Resident Entities**") are subject to Polish Corporate Income Tax ("**CIT**") on their worldwide incomes irrespective of the country from which the incomes were derived.

6.7 Taxation of income from the disposal of Securities

Income earned by Polish Resident Entities on the disposal of Securities is subject to the 19 per cent. CIT rate. The income is calculated as the difference between the revenue earned on the disposal of Securities (in principle, the selling price) and the related costs (in principle, the Issue Price). Tax advances are generally paid on a monthly basis (however, some categories of CIT taxpayers may pay tax advances on a quarterly basis). The final tax reconciliation is made in the annual CIT return filed within three months of the end of the tax year.

6.8 Taxation of income from the redemption of Notes or Certificates or cancellation of Warrants

Income earned by a Polish Resident Entities on the redemption of Notes or Certificates or the cancellation of Warrants, as applicable, is subject to the 19 per cent. CIT rate. The income is calculated as the difference between the Redemption Amount (in the case of Notes and Certificates) or the Cancellation Amount (in the case of Warrants) and the related costs (in principle, the Issue Price). Tax advances are generally paid on a monthly basis (however, some categories of CIT taxpayers may pay tax advances on a quarterly basis). The final tax reconciliation is made in the annual CIT return filed within three months of the end of the tax year.

6.9 Taxation of interest under Securities

The amount of interest earned by a Polish Resident Entity under Securities is subject to the 19 per cent. CIT rate. Tax advances are generally paid on a monthly basis (however, some categories of CIT taxpayers may pay tax advances on a quarterly basis). The final tax reconciliation is made in the annual CIT return filed within 3 months of the end of the tax year.

Withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

C. Taxation in Poland of non-resident individuals and entities

6.10 Taxation of income from the disposal of Securities/redemption of Nots or Certificates/cancellation of Warrants

Individuals and entities that are Polish non-residents will not generally be subject to Polish taxes on income resulting from the disposal of Securities or redemption of Notes or Certificates, as applicable, or cancellation of Warrants unless such income is attributable to an enterprise which is either managed in Poland or carried on through a permanent establishment in Poland. However, some double tax treaties concluded by Poland may provide for a different tax treatment (for example, in case of the disposal of Securities in a real estate company). In addition, in the case of individuals resident in a country which does not have a binding double tax treaty with Poland, there may be a risk of taxation of the types of income referred to in this paragraph, in the case of the disposal/redemption/cancellation of Securities/Notes/Certificates/Warrants issued by a public company quoted on the Polish Stock Exchange.

6.11 Taxation of interest under Securities

Interest income on the Securities paid through a Polish intermediary to non-resident investors will in principle be subject to a 20% withholding tax subject to such relief as may be available under applicable domestic and tax treaty provisions. According to current position of the tax authorities, in case of payments relating to the Securities made in favour of individual non-residents the withholding should be collected by the Issuer or by the entity performing the payments related to the Securities on behalf of the Issuer. However, in case of payments made in favour of non-resident entities, withholding tax should be always collected by the Issuer.

D. EU Directive on Taxation of Savings Income

In accordance with EC Council Directive 2003/48/EC on the taxation of savings income, Poland will provide to the tax authorities of another EU Member State (and certain non-EU countries and associated territories specified in that directive) details of payments of interest or other similar income paid by a person within Poland to, or collected by such a person for, an individual resident in such other state.

7. GERMAN TAXATION

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each series of Securities may be subject to a different tax treatment due to the specific terms of such Series as set out in the respective Final Terms, the following section only provides some very general information on the possible tax treatment of a generic Security.

Prospective Holders of Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Securities, including the effect of any state, local or church taxes, under the tax laws of Germany and each country of which they are residents.

Tax Residents

Payments of interest on the Securities to persons or entities who are tax residents in Germany (i.e. persons or entities whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (*Einkommen- oder Körperschaftsteuer*) (plus solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5 per cent. thereon). In addition church tax may apply as a surcharge on the personal income tax. Such interest payments may also

be subject to German trade tax (*Gewerbesteuer*) if the Securities form part of the property of a German trade or business.

Upon the disposal of a Security carrying interest the Holder of the Security will also have to include in his taxable income any consideration invoiced separately for such portion of the interest of the current interest payment period which is attributable to the period up to the disposal of the Security ("**Accrued Interest**"). Accrued Interest paid upon the acquisition of a Security may give rise to negative income if the Security is held as a non-business asset.

Capital gains from the sale, transfer, redemption or cancellation of a Security are subject to German personal income tax (plus solidarity surcharge thereon) for tax resident individuals. If the Securities form part of the assets of a German trade or business the capital gains may also be subject to German trade tax. Capital gains derived by tax resident corporate Holders of Securities will be subject to German corporate income tax (plus solidarity surcharge thereon) and German trade tax. Losses incurred upon the sale, transfer, redemption or cancellation of a Security may give rise to negative income.

Where Securities form part of the assets of a German trade or business, each year the part of the difference between the issue or purchase price of the Securities and their redemption amount (if such amount is fixed at the time of the acquisition) attributable to such year as well as interest accrued must be taken into account as interest income and may also be subject to trade tax.

If the Securities are held in a custodial account which the holder maintains with a German bank or financial services institution, with a German branch of a non-German bank or financial services institution, with a German securities trading business (*Wertpapierhandelsunternehmen*) or with a German securities trading bank (*Wertpapierhandelsbank*) (a "**German Paying Agent**") a 25 per cent. withholding tax (plus solidarity surcharge thereon) will be levied on interest payments and capital gains, resulting in a total tax charge of 26.38 per cent. In the case of interest and accrued interest withholding tax will be levied on the interest / accrued interest amount. In the case of capital gains from the sale, transfer, redemption or cancellation of Securities, withholding tax will be levied on an amount equal to the difference between the issue or purchase price of the Securities and the redemption amount or sales proceeds less any directly related expenses provided that the holder of the Security has kept it in a custodial account since the time of issuance or acquisition respectively or has proven the acquisition facts. Otherwise, withholding tax is generally applied to 30 per cent. of the amounts paid in partial or final redemption or cancellation of the Securities or the proceeds from the sale or transfer of the Securities.

In computing the tax to be withheld the German Paying Agent may deduct from the basis of the withholding tax any Accrued Interest previously paid by the Holder of Securities to the German Paying Agent during the same calendar year. If, in case of physical delivery, no cash payment is made upon redemption, the German Paying Agent will request that the Holder of Securities pays the withholding tax to it. If the Holder of Securities does not pay the amount to be withheld to the German Paying Agent the latter must notify the tax authorities of such failure which will then collect the tax from the Holder of Securities.

In general, no withholding tax will be levied for a tax resident individual holding the Securities as private assets who has filed a withholding exemption certificate (*Freistellungsauftrag*) with the German Paying Agent but only to the extent the interest income derived from the Security together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be levied if such holder of the Security has submitted to the German Paying Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If the Holder of the Security is a German resident corporation then generally no withholding tax will be levied on capital gains from the sale, transfer, redemption or cancellation of a Security provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by certificate of the competent tax office. The same is true if the Securities are held as assets of a German trade or business and the Holder of the Security declares this by way of an official form vis-à-vis the German Paying Agent.

For tax resident individuals holding the Securities as private assets the withholding tax (plus solidarity surcharge and, on application, church tax, if any, thereon) is, in principle, a final tax (*Abgeltungsteuer*) and shall replace the investor's personal income taxation by way of assessment. Any expenses related to such income (*Werbungskosten*) such as financing or administration costs actually incurred are not tax deductible. Only a lump sum of €801 (€1,602 for spouses) can be deducted. Upon formal application by the taxpayer, the lower personal income tax rate, if any, will be applied (*Günstigerprüfung*). A taxpayer can also formally apply for a tax assessment to make specific allowances. If no tax is withheld, tax resident individuals holding the Securities as private assets are still obliged to file tax returns.

Where Securities form part of a trade or business the withholding tax will not settle the personal or corporate income tax liability. The German Holder of Securities will have to report income and related expenses on his tax return and the balance will be taxed at the German Holder of Securities' applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the German Holder of Securities. Amounts overwithheld will entitle the Holder of Securities to a refund, based on an assessment to tax.

German tax consequences different from those discussed above would arise if the respective Securities were regarded as (foreign) investment fund units (which, in particular, might be relevant for Physical Delivery Securities) within the meaning of the German Investment Tax Act (*Investmentsteuergesetz*). In such case, withholding tax requirements for the German Paying Agent as well as the taxation of the Holder of Securities would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. The German Holder of Securities may be subject to tax on unrealised or, in case the reporting and disclosure requirements are not fulfilled, on income deemed received on a lump-sum basis. Such income may be off-set against any capital gains realised upon disposal of the Securities or the underlying securities received, respectively, subject to certain requirements.

Non-resident Holders of Securities

Interest, including accrued interest and capital gains are not subject to German taxation, unless (i) the Securities form part of the assets of a permanent establishment, including a permanent representative or a fixed base maintained in Germany by the holder of a Security or (ii) the interest income otherwise constitutes German source income, such as income from certain capital investments directly or indirectly secured by real estate located in Germany. If the non-resident of Germany is subject to German taxation with income from the Securities, a tax regime similar to that explained above under "Tax Residents" applies; capital gains from the sale, transfer, redemption or cancellation of Securities are, however, only taxable in the case of (i).

Non-residents of Germany are, in general, exempt from German withholding tax (plus solidarity surcharge thereon) on interest and capital gains. However, where the interest or the capital gains are subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a German Paying Agent withholding tax is levied as explained above at "Tax Residents". For non-residents of Germany such withholding tax is in general a final taxation. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Securities will arise under the laws of Germany, if, in the case of inheritance tax, neither the descendent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Securities are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Germany.

EU Savings Tax Directive (Germany)

By legislative regulations dated 26 January 2004 the Federal Government enacted provisions implementing the EU Savings Tax Directive into German law. These provisions apply from 1 July 2005.

Please refer to the section "EU Directive on the Taxation of Savings Income" above for more details.

8. ITALIAN TAXATION

The following is a general discussion of certain Italian tax consequences of the acquisition, holding and disposing of Securities. However, each series of Securities may be subject to a different tax treatment due to the specific terms of such Series as set out in the respective Final Terms. The following summary, therefore, does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not consider any specific facts or circumstances that may apply to a particular investor.

This summary regarding taxation is based on the laws of Italy currently in force and as applied on the date of this Base Prospectus, which are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Prospective Holders of Securities are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

TAXATION OF NOTES

(1) Payments of interest and other proceeds on the Notes are subject to different tax treatments based on whether the Notes, based on their specific characteristics as set out in the Final Terms, qualify as:

(a) bonds or securities similar to bonds; or

(b) atypical securities.

A.1 Notes qualifying as bonds or securities similar to bonds

Legislative Decree No. 239 of 1 April 1996, as amended (the "**Decree 239**"), regulates the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued, inter alia, by non-Italian resident entities, falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow any direct or indirect participation to the management of the issuer.

Resident Noteholders

Where an Italian resident Noteholder who is the beneficial owner of the Notes is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva* (either when the interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). The *imposta sostitutiva* may not be recovered by the Noteholder as a deduction from the income tax due.

The mentioned *imposta sostitutiva* is currently levied at a rate of 26 per cent.

In case the Notes are held by a Noteholder engaged in a business activity and are effectively connected with same business activity, the interest will be subject to the *imposta sostitutiva* and will be included in the relevant income tax return. As a consequence, the interest will be subject to

the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**") stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Finance (the "**Intermediaries**").

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying Interest to a Noteholder.

The *imposta sostitutiva* does not apply, inter alia, to the following subjects, to the extent that the Notes and the relevant Coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

(a) Corporate Noteholders – Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), interest accrued on the Notes must be included in: (i) the relevant Noteholder's yearly taxable income for corporate income tax purposes ("**IRES**"), applying at a rate equal to 27.5 per cent.; and (ii) in certain circumstances, depending on the "status" of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities ("**IRAP**"). Such interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

(b) Investment funds – Italian investment funds (which includes *Fondo Comune d'Investimento*, SICAV or SICAF, the "**Funds**") from 1 July 2011, are no longer taxed on the increase in value of the managed assets accrued at the end of each year as they were in the past. However, the investors of such Funds shall be subject to a withholding tax currently in the amount of 26 per cent., levied by the managing company. Such withholding shall be levied on a distribution basis and no longer on an accrual basis and it is applicable both on the proceeds distributed during the life of the fund, and on the amount due in case of closure or redemption of the funds (including in both cases the Interest on the Notes);

(c) Pension funds – Pension funds (subject to the tax regime set forth by article 17 of the Legislative Decree No. 252 of 5 December 2005, the "**Pension Funds**") are subject to substitutive tax, currently levied at 20 per cent., on their annual net accrued result. Interest on the Notes is included in the calculation of said annual net accrued result; and

(d) Real estate investment funds (a "**REIT**") – Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, and pursuant to the new rules introduced by Decree Law No. 70 of 13 May 2011, REITs are not subject to any *imposta sostitutiva* at the fund level and any Interest accrued on Notes held by a REIT is not taxable in the hands of the same REIT. However a 26 per cent. withholding tax may be applied on distributions made by the REIT, directly on the investors depending on the nature of the relevant investor.

Non-Resident Noteholders

Interest payments relating to Notes received by non-resident beneficial owners (not having a permanent establishment in Italy to which the Notes are effectively connected) are generally not subject to tax in Italy, provided that: (i) the beneficial owners are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, and (ii) all the requirements and procedures set forth in Decree 239 and in the relevant application rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in a timely manner.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international organisations established in accordance with international agreements ratified in Italy, (ii) institutional investors which are fiscally resident in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information and (iii) Central Banks or entities managing also official state reserves.

B. Notes qualifying as atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) are subject to a withholding tax currently levied at the rate of 26 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value. The mentioned withholding tax applies to an Italian resident Noteholder which is: (i) an individual not engaged in a business activity to which the Notes are effectively connected; (ii) a non-commercial partnership; (iii) a non-commercial private or public institution; (iv) an investor exempt from Italian corporate income tax; (v) a Pension Fund; and (vi) a Fund.

Interest payments on Notes made to *Italian resident Noteholders* which are (i) companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), and (ii) commercial partnerships, are not subject to the aforementioned withholding tax, but the Interest shall also be included in their aggregate income subject to IRES. The withholding tax may be recovered as a deduction from the income tax due. In certain cases, such Interest may also be included in the taxable net value of production for IRAP purpose.

Interest payments relating to Notes received by *non-Italian resident Noteholders* (not having a permanent establishment in Italy to which the Notes are effectively connected) are generally subject to a withholding tax currently levied at 26 per cent. Such withholding may be reduced according to any relevant double tax treaties, if applicable.

(2) Capital gains arising from the sale or transfer of the Notes are subject to different tax regimes based on the residence status of their Holders.

Resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November 1997, as amended, a capital gains tax (the "**CGT**") is applicable to capital gains realised on any sale or transfer of the Notes for consideration or on redemption thereof by Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), regardless of whether the Notes are held outside of Italy. Said CGT currently applies at a rate of 26 per cent.

For the purposes of determining the taxable capital gain, any interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

Should the Notes qualify as atypical securities, the relevant capital gain realised upon sale or transfer of the same should in principle be subject to CGT, however, based on a very restrictive

interpretation, the aforesaid capital gains could be subject to the above mentioned final withholding tax.

Taxpayers can opt for certain alternative regimes in order to pay the CGT.

In addition, please note the following:

(a) Corporate investors (including banks and insurance companies): capital gains realised on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years for IRES purposes.

(b) Funds – Capital gains realised by the Funds on the Notes are currently subject to a 26 per cent. withholding tax levied by the managing company. Such withholding shall be levied on a distribution basis and no longer on an accrual basis and it is applicable both on the proceeds distributed during the life of the fund, and on the amount due in case of closure or redemption of the funds (including in both cases, any capital gains on the Notes).

(c) Pension Funds – Capital gains realised by Pension Funds on the Notes contribute to determining the annual net accrued result of the same Pension Funds, which is subject to a 20 per cent. substitutive tax.

(d) Real Estate Investment Funds – Capital gains realised by Italian Real Estate Investment Funds on the Notes are generally not taxable at the level of the same Real Estate Investment Funds. However, a 26 per cent. withholding tax may be applied on distributions made by the REIT, directly on the investors, depending on the nature of the relevant investor.

Non-Resident Noteholders

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the Notes are not subject to tax in Italy, provided that the Notes (i) are traded on regulated markets, or (ii) if not traded on regulated markets, are held outside Italy.

TAXATION OF WARRANTS AND CERTIFICATES

A. Securitised derivatives

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Warrantholder or Certificateholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised upon sale or exercise of the Securities are subject to a substitute tax (*imposta sostitutiva*) currently levied at 26 per cent.. The recipient may opt for three different taxation criteria:

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual holding the

Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses in excess of capital gains realised prior to 31 December 2011 may be carried forward against capital gains realised after 1 July 2014 only to the extent of 48.08 per cent. of their amount; whilst capital losses realised from 1 January 2012 to 30 June 2014 may be carried forward against capital gains realised after 1 July 2014 only to the extent of 76.92 per cent. of their amount.

(b) As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Warrantholder or Certificateholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Warrantholder or Certificateholder or using funds provided by the Warrantholder or Certificateholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Capital losses in excess of capital gains realised, within the same securities management, prior to 31 December 2011 may be carried forward against capital gains realised after 1 July 2014 only to the extent of 48.08 per cent. of their amount; whilst capital losses realised from 1 January 2012 to 30 June 2014 may be carried forward against capital gains realised after 1 July 2014 only to the extent of 76.92 per cent. of their amount. Under the *risparmio amministrato* regime, the Warrantholder or Certificateholder is not required to declare the capital gains in the annual tax return.

(c) Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a substitute tax, to be paid by the managing authorised intermediary. Said substitute tax is currently levied at 26 per cent. on the annual increase accrued since 1 July 2014. Under this *risparmio gestito* regime, any decrease in value of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The decrease in value accrued prior to 31 December 2011 may be carried forward against 48.08 per cent. of its amount, whilst the decrease in value accrued from 1 January 2012 to 30 June 2014 may be carried forward against increase in value of the managed assets accrued after 1 July 2014 only to the extent of 76.92 per cent. of its amount. Under the *risparmio gestito* regime, the Warrantholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Warrantholder or Certificateholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, income arising from the Warrants or Certificates will not be subject to *imposta sostitutiva*, but must be included in the relevant Warrantholder's or Certificateholder's income tax return and are therefore subject to Italian corporate tax.

Income realised by non-Italian resident Warrantholders or Certificateholders is not subject to Italian taxation, provided that the Warrants or Certificates are held outside of Italy.

B. Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of Testo Unico Imposte sui Redditi (Presidential Decree No. 917 of 22 December 1986) and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to an Italian withholding tax currently levied at 26 per cent..

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Certificates and to an Italian resident holder of the Certificates which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Certificates.

PAYMENTS MADE BY BNL AS GUARANTOR

There is no express position of the Italian tax authorities on the tax treatment applicable on payments performed by a guarantor in lieu of the Issuer.

In principle, whilst payments made by the Italian Guarantor to the Holders of Securities in order to refund the amount invested in the Securities should not give rise to any tax liability since they do not qualify as payments of income, payments made by the Italian Guarantor to the Holders of Securities in relation to interest and other proceeds due on the Securities by the Issuer, may give rise to Italian tax liability.

According to a certain interpretation of Italian tax law, payments of interest performed by the Guarantor would have the same legal nature of that originally payable by the Issuer and thus could be treated, in certain circumstances, as a payment made by the Issuer and thus be subject to the tax regime described in the previous paragraphs. Conversely, according to a different interpretation of the law the payments performed by the Guarantor change the nature of the amounts due since the Guarantor pays the relevant amount in relation to a different and new legal cause and thus the relevant tax treatment of the payments shall be examined based on such new legal cause and on the nature and residence of the recipient."

PAYMENTS MADE BY A NON RESIDENT GUARANTOR (IF APPLICABLE)

With respect to payments made to Italian resident holders of Securities by a non-Italian resident Guarantor (if applicable), in accordance with one interpretation of Italian tax law, any such payment made by the non-Italian resident Guarantor could be treated, in certain circumstances, as a payment made by the Issuer and would thus be subject to the tax regime described in the previous paragraphs.

STAMP DUTY

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Securities deposited therewith. The stamp duty currently applies at a rate of 0.20 per cent; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. The stamp duty cannot currently exceed EUR 14,000 for non-individual holders of securities only.

Based on the interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Holders of Securities, to the extent that the Securities are held with an Italian based financial intermediary.

WEALTH TAX ON SECURITIES DEPOSITED ABROAD

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Securities outside Italian territory are required to pay an additional tax at the current rate of 0.20 per cent.

This tax is calculated on the market value of the Securities at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the state where the financial assets are held (up to an amount equal to the Italian wealth tax due).

TAX MONITORING

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as recently amended by Law No. 97 of 6 August 2013, in force since 4 September 2013, individuals resident in Italy who are the effective beneficial owners of foreign (i.e. non-Italian) investments or financial activities must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

TRANSFER TAXES

Article 37 of Law Decree No 248 of 31 December 2007, converted into Law No. 31 of 28 February 2008, published on the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of EUR 200; (ii) private deeds are subject to registration tax only if a case of use occurs or in case of voluntary registration.

FINANCIAL TRANSACTION TAX

Pursuant to Article 1, para. 491 and followings of Law No. 228 of 24 December 2012, the Italian Parliament introduced a financial transaction tax ("**FTT**") which applies to (a) the transfer of ownership of shares and other participating securities issued by Italian resident companies or of financial instruments representing the just mentioned shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the "**Relevant Securities**"), (b) transactions on financial derivatives (i) the main underlying assets of which are the Relevant Securities, or (ii) whose value depends mainly on one or more Relevant Securities, as well as to (c) any transactions on the securities (as set forth by article 1, paragraph 1-bis, letters c) and d), of the Legislative Decree No. 58 of 24 February 1998) (iii) which allow to mainly purchase or sell one or more Relevant Securities or (iv) implying a cash payment determined with main reference to one or more Relevant Securities.

Warrants and certificates are expressly included in the scope of application of the FTT if they meet the requirements set out above.

With specific reference to the transactions on securitised derivatives on the Relevant Securities (such as the warrants) the FTT is due, as of 1 July 2013, regardless of the tax residence of the parties and/or where the transaction is executed.

The FTT is levied at a fixed amount that varies depending on the nature of the relevant instrument and the notional value of the transaction, and ranges between EUR 0.01875 and EUR 200 per transaction. The amount of FTT payable is reduced to 1/5 of the standard rate in case the transaction is performed on regulated markets or multilateral trading facilities of an EU Member States and of the SEE, included in the so-called white list to be set out by a to-be-issued Ministerial Decree pursuant to Article 168-bis of

Presidential Decree No. 917 of 22 December 1986 (for the time being reference shall be made to countries not qualifying as black list countries for Italian tax purposes).

In the case of physical settlement, the FTT is also due upon transfer of ownership rights of the underlying Relevant Securities.

The FTT on derivatives is due by each of the parties to the transactions. The FTT is not applied where one of the parties to the transaction is the European Union, the BCE, central banks of the EU Member States, foreign Central Banks or entities which manage the official reserves of a foreign State, or international bodies or entities set up in accordance with international agreements which have entered into force in Italy. Further specific exemptions exist, inter alia, for (i) subjects who carry on market making activities; (ii) mandatory social security entities and pension funds set up according to Legislative Decree No. 252 of 5 December 2005; and (iii) intragroup transfers of the Relevant Securities.

The FTT shall be levied, and subsequently paid, to the Italian Revenue by the subject (generally a financial intermediary) that is involved, in any way, in the performance of the transaction. If more than one subject is involved in the execution of the transaction, the FTT is payable by the subject who receives the order of execution by the ultimate purchaser or counterparty. Intermediaries that are not resident in Italy but are liable to collect the FTT from the taxpayers and to pay it to the Italian Revenue can appoint an Italian tax representative for the purposes of the FTT. If no intermediary is involved in the performance of the transaction, the FTT must be paid directly by the taxpayers.

Prospective Holders of Warrants and Certificates are advised to consult their own tax advisers.

INHERITANCE AND GIFT TAXES

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR100,000; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005. Under such Decree, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

9. BELGIAN TAXATION

Prospective Holders of securities are advised to consult their own advisors as to the tax consequences of the purchase, ownership and disposal of securities, including the effect of any taxes under Belgian law. The present overview is only general information, which is not intended to deal with specific aspects of an investment in Notes and/or Warrants. Potential investors are recommended to consult their tax advisor on basis of their own particular situation.

Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise, as Belgium already did with effect from 1 January 2010) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If Luxembourg applies a withholding tax under the EC Council Directive 2003/48/EC with respect to an interest payment in favour of a Belgian resident individual, the latter can obtain a tax credit in Belgium, provided that he reports the withheld tax in his personal income tax return (see in this respect: Circular letter of 8 July 2005). If the withholding tax exceeds the Belgian taxpayer's tax liability, it is reimbursable.

The Council adopted on 24 March 2014 the revised Savings Directive (*Official Journal* L 155 of 15 April 2014, p.50) which strengthens the existing rules on exchange of information on savings income with the aim of enabling Member States to better clamp down on tax fraud and evasion. This was done on the basis of a legislative proposal made by the European Commission on 13 November 2008 as a result of its first review of the Directive.

The main changes to the existing Savings Directive contained in the amending proposal with a view to closing existing loopholes are the following:

- A look-through approach based on 'customer due diligence' which prevents individuals from circumventing the Directive by using an interposed legal person (e.g. foundation) or arrangements (e.g. trust) situated in a non-EU country which does not ensure effective taxation of the interposed legal person/arrangement on all its income from financial products covered by the Directive;

- Enhanced rules aimed at preventing individuals from circumventing the Directive by using an interposed legal person (e.g. foundation) or arrangement (e.g. trust) situated in an EU Member State. Those rules involve the reporting by that legal person or arrangement;

- Extending the product scope of the Directive to include financial products that have similar characteristics to debt claims (e.g. fixed/guaranteed return securities and life insurance wrapper products), but are not legally classified as such;

- Inclusion of all relevant income from both EU and non-EU investment funds in addition, as contained in the current Directive, to the income obtained through undertakings for collective investment in transferable securities authorised in accordance with Directive 85/611/EEC ("UCITS").

Council has requested that national rules for transposing the revised Savings Directive should be adopted by Member States by January 2016.

Belgian income taxes

A. Notes

The following summary describes the principal Belgian tax considerations with respect to the holding of Notes obtained by an investor in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Notes. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

Belgian resident individual private investors

The following tax treatment applies to individual Belgian residents, subject to Belgian personal income tax (*Personenbelasting/Impôt des personnes physiques*). Other rules can however apply in special situations: when Notes are linked to the private investor's professional activity or when the taxpayer's transactions with respect to the Notes fall outside the scope of the normal management of their private estate.

Generally speaking, any amount paid by the Issuer in excess of the issuance price of the Notes at the maturity date or at early redemption, is taxable as interest.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium. The government has announced that they intend increasing the percentage of the withholding tax to 27% as of 2017. However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any foreign withholding tax) has to be declared in the personal income tax return and will be taxed at the rate of 25 per cent.

In the viewpoint of the Belgian tax administration, structured notes always qualify as "fixed income securities" (Circular letter of 25 January 2013, AAFisc 3/2013). However, please be aware that depending on the characteristics, arguments are available to challenge this viewpoint of the Belgian tax administration; e.g. where the noteholder does not have any guarantee that the principal will be recovered and is not entitled to a guaranteed return either (this may e.g. be the case with fund linked notes if both the amount of principal and interest payable are dependent on the price or changes in the price of units or shares in a fund), it is arguable that such notes do not qualify as fixed income securities.

If the Notes qualify as fixed income securities in the meaning of article 2, § 1, 8° Belgian Income Tax Code, the interest income of the notes is taxable in the hands of each successive noteholder based upon the duration that they have been holding the notes. This implies that the noteholders can not avoid taxation by selling the note before maturity or before redemption by the issuer. According to the tax administration, the taxable event arises at the moment of sale if the noteholder transfers the note to someone other than the issuer. At this moment in time, no withholding tax is due, but the investor will have the duty to report his portion in the accrued interest in his personal income tax return (Circular letter of 25 January 2013, n° 12, 14). However, the viewpoint of the tax administration is criticized by the majority of the commentators and it has already been overruled in a decision of the Court of Antwerp (decision of 12 March 2002). According to the majority of the authors and the Court of Antwerp, the taxable event can only occur when the note is reimbursed to the final noteholder by the issuer. Before that moment in time, there is no certainty whether there actually is a taxable movable income.

Capital gains realised on the sale of the Notes, except for the *pro rata* of accrued interest in the case of fixed income securities, are in principle tax exempt. The capital gains will however incur taxation at 33 per cent. if they are realised in a way which exceeds "the normal management of one’s private estate". Taxation of the capital gains will also occur if the Notes are held by the investor as assets of his professional activity

(taxation at the marginal rate). If the Notes are repurchased (whether or not on the maturity date) by the Issuer, the capital gain is taxable as interest at the rate of 25per cent.

Tax treatment in the hands of Belgian corporations

Corporate Noteholders who are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) and who do not qualify for a special corporate tax regime (e.g. Sicavs, pension funds etc.) are subject to the following tax treatment with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains on the Notes will be subject to Belgian corporate income tax of 33.99 per cent. Realised capital losses are in principle deductible. Moreover, the tax deductibility of unrealised capital losses can be argued provided that the noteholder i) does not have any guarantee that the invested amount will the recovered, and ii) does not have any guaranteed return either (this situation may e.g. occur with fund linked notes if both the amount of principal and interest payable are dependent on the price or changes in the price of units or shares in a fund).

Interest payments to a Belgian company made through a paying agent in Belgium may qualify for exemption from withholding tax provided the note qualifies as similar to a bond loan and provided a certificate is delivered (articles 108 and 117, § 12 R.D./I.T.C.). When Belgian withholding tax was levied, such withholding tax is generally speaking creditable against the corporate income tax due and reimbursable provided the legal requirements for creditability are met.

Other legal entities

Legal entities who are Belgian residents for tax purposes and who are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/impôt des personnes morales*) are subject to the following tax treatment with respect to the Notes.

Any amount paid by the Issuer in excess of the issuance price of the Notes at the maturity day or subsequent to early redemption is taxable as interest.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest. If the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the application of Belgian withholding tax, the legal entity itself is responsible for the payment of 25 per cent. withholding tax.

If the Notes qualify as fixed income securities in the meaning of article 2, § 1, 8° I.T.C., Belgian legal entities are taxable on the *pro rata* of accrued interest corresponding to the detention period in case of a realisation of the Notes between two interest payment dates or before maturity / reimbursement by the issuer.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the Notes are repurchased by the Issuer (in which case the capital gain is taxable as interest) and except for the *pro rata* of accrued interest in the case of fixed income securities, which is subject to Belgian withholding tax (25 per cent.), whereby the latter is due by the legal entity itself on basis of article 262, 5° I.T.C.

Special tax regimes

Under Belgian tax law, a number of entities such as qualifying pension funds and qualifying investment companies enjoy a special tax regime, whereby income out of investments (such as interest income and capital gains) is not taken into account for determining the taxable basis.

Non-resident investors

The interest income on the Notes paid through a Belgian intermediary will in principle be subject to a 25 per cent. withholding tax subject to such relief as may be available under applicable domestic and tax treaty provisions. However, an exemption is available under Belgian domestic provisions in case of payment of interest on the Notes through a (financial) intermediary established in Belgium, provided that such (financial) intermediary qualifies as a recognized credit institution, exchange company or clearing or settlement institution and pays the interest to non-resident beneficial owners directly, on the condition that such non-resident beneficial owner certifies that he or she (i) is a non-resident for Belgian income tax purposes, (ii) has not held the Notes as part of a taxable business activity in Belgium, and (iii) is the legal owner, or holds the usufruct of the Notes (art 230, 2°, b) ITC/92).

Moreover, the following exemptions apply in particular circumstances:

i) An exemption is available under Belgian domestic provisions in case of payment of interest on the Notes through a (financial) intermediary established in Belgium, provided that such (financial) intermediary qualifies as a recognized credit institution, stock exchange company or clearing or settlement institution and pays the interest to certain qualifying credit institutions, financial intermediaries, clearing and settlement institutions or portfolio management companies established outside of Belgium, referred to in Article 261, par. 4 ITC/92).

ii) A second exemption is available under Belgian domestic provisions is in case of payment of interest on the Notes through a (financial) intermediary established in Belgium, provided that such (financial) intermediary qualifies as a recognized credit institution, stock exchange company or clearing or settlement institution and pays the interest to non-qualifying intermediaries, on the condition that such non-qualifying intermediary certifies that the beneficial owners (i) are non-residents for Belgian income tax purposes, (ii) have not held the Notes as part of a taxable business activity in Belgium, and (iii) are the legal owners, or hold the usufruct of the Notes (art 264bis ITC/92).

iii) Depending on facts and circumstances, specific exemptions may apply on basis of the Royal Decree implementing the Income Tax Code.

The non-residents companies or professionals who use the debt instruments to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies or Belgian professionals.

B. Warrants

The following summary describes the principal Belgian withholding tax considerations with respect to the holding of Warrants obtained by an investor following this offer in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Warrants. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

Belgian resident individual investor

The following tax treatment applies to individual Belgian residents, subject to Belgian personal income tax (*Personenbelasting/Impôt des personnes physiques*). Other rules can however apply in special situations, e.g. when Warrants are linked to the private investor's professional activity.

There are no income taxes due on the surplus values obtained by the Warrantholder through the sale of Warrants or the Exercise of Warrants, provided i) the Warrants or assets qualify as portfolio values, and ii)

the surplus values were made within the normal management of the investor's estate (as set forth in article 90, 1° Belgian Income Tax Code).

If one or both of the aforementioned conditions are not met, the situation is the following i) surplus values on a sale of warrants are taxable at the rate of 33 per cent. (to be increased with communal surcharges) and ii) surplus values on the exercise of a warrant may be taxable (e.g. in the case of a put warrant) at the rate of 33 per cent. (to be increased with communal surcharges).

The tax aspects regarding the holding or sale of assets acquired through the exercise of Warrants depend on the nature of those assets.

Tax treatment in the hands of Belgian corporations

The surplus values obtained by the Warrantholders through the sale of the Warrants are subject to corporate income tax. The losses on the warrants are in principle tax deductible.

The premium paid by the Call Warrant-holder is recorded on the balance sheet of the corporate investor. If the investor acquires shares subsequent to the exercise of a Warrant, the Warrant premium is added to the strike price for determining the value of the acquired shares.

The tax implications of i) surplus values obtained by the Warrantholders subsequent to the sale of assets which were acquired through the exercise of a call Warrant and ii) surplus values subsequent to the exercise of a put warrant, depend on the nature of the asset.

Other legal entities

Legal entities who are Belgian residents for tax purposes and who are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/impôt des personnes morales*) are not taxed on the surplus values obtained through the sale of the Warrants or the exercise of the Warrants.

The tax aspects regarding the holding or sale of assets acquired through the exercise of Warrants depend on the nature of those assets.

Important note

Depending on facts and circumstances (e.g. in situations where a Warrant is cash settled), a Warrant may trigger taxable interest should the Warrant itself be (re-)characterized as some kind of a receivable. In such case, the Warrantholder may be taxed on any income derived from the Warrant according to the rules applicable to Notes.

Such (re-)characterization has in particular important fiscal consequences in the hands of a Belgian resident individual shareholder and in the hands of "other legal entities", as it may imply that any income derived from the Warrant is taxable at interest at the rate of 25 per cent.

C. Certificates

The following summary describes the principal Belgian tax considerations with respect to the holding of Certificates obtained by an investor following this offer in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Certificates. Moreover, the Belgian tax regime described below only applies if the Certificates can be regarded to qualify as claim rights for Belgian tax purposes. Depending on the specific characteristics of

the certificate, different rules may apply. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

This summary does not describe the tax consequences for a holder of Certificates that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Certificates and/or any tax consequences after the moment of exercise, settlement or redemption. Each prospective holder of Certificates should consult a professional adviser with respect to the tax consequences of an investment in the Certificates, taking into account the influence of any applicable rules.

Belgian resident individual investor

Individuals who are Certificate holders and who are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax ("personenbelasting"; "impôt des personnes physiques"), are subject to the following tax treatment with respect to the Certificates in Belgium.

Other rules may be applicable in special situations, in particular when individuals resident in Belgium acquire the Certificates for professional purposes or when their transactions with respect to the Certificates fall outside the scope of the normal management of their own private estate, or should the Certificates not qualify as "portfolio values".

Payments of interest on the Certificates made through a paying agent in Belgium will in principle be subject to a 25 per cent withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). For Belgian tax purposes, interest includes any amount paid by the Issuer in excess of the issuance price of the Certificates (e.g. at the redemption date or at early redemption). When withholding tax was applied, the Belgian resident investor no longer has the duty to report the interest in his personal income tax return.

Capital gains realised on the sale of the Certificates to a Party other than the Issuer, except in respect of that part of the sale price attributable to the pro rata interest component, are in principle tax exempt, provided that i) the Certificates qualify as "portfolio values", and ii) the capital gain results from a normal management of one’s private estate. Capital losses on the Certificates are generally not tax deductible.

Tax treatment in the hands of Belgian corporations

Corporations or legal entities subject to Belgian corporate tax and who qualify as Belgian residents for tax purposes are subject to the following tax treatment with respect to the Certificates in Belgium.

Interest received by Belgian corporate investors on the Certificates and capital gains realised on the Certificates will be subject to Belgian corporate income tax of 33.99 per cent. Realised capital losses are in principle deductible. Interest payments on the Certificates made through a paying agent in Belgium may under certain circumstances qualify for exemption from withholding tax. The withholding tax that has been levied is creditable in accordance with the legal provisions.

Other legal entities

Non-corporate legal entities who are Belgian residents for tax purposes and who are subject to Belgian tax on legal entities ("Rechtspersonenbelasting/impôt des personnes morales") are subject to the following tax treatment with respect to the Certificates in Belgium.

Payments of interest on the Certificates made through a paying agent in Belgium will in principle be subject to a 25 per cent withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the deduction and payment of the 25 per cent. withholding tax.

Capital gains realised on the sale of the Certificates to a party other than the Issuer, except in respect of that part of the sale price attributable to the pro rata interest component, are in principle tax exempt.

Capital losses on the Certificates are generally not tax deductible.

Tax on Stock Exchange Transactions

The sale and purchase of Notes on the secondary market through a professional Belgian intermediary are subject to 0.09 per cent. tax on stock exchange transactions in Belgium. This tax applies to both the acquisition and the sale of the Notes. It is capped at € 650 per transaction and per party.

However, with respect to notes for which it is questionable that they can be regarded as "bonds" for the application of Belgian tax law, e.g. if the Noteholder does not have any guarantee that the principal will the recovered (this may e.g. be the case with fund etc. linked notes), such notes may not qualify for the 0.09 per cent. rate and may fall under the scope of the 0.27 per cent. rate.

The sale and purchase on the secondary market of Warrants through a professional Belgian intermediary is subject to a 0.27 per cent. tax on stock exchange transactions on the price, capped at € 800 per transaction and per party.

The sale and purchase on the secondary market of Certificates through a professional Belgian intermediary will be either subject to tax on stock exchange transactions at the rate of 0.27 per cent. (capped at € 800) or 0.09 per cent. (capped at € 650 €) depending on the characteristics of the certificate.

The acquisition of Notes or Warrants pursuant to their issuance is not subject to the tax.

Transactions carried out by a number of investors for their own account are exempt:

- intermediaries as mentioned in article 2, 9° and 10° of the Law of 2 August,2002 on the supervision of the financial sector and financial services;
- insurance companies as mentioned in article 2, §1 of the Law of 9 July 1975 on the supervision of insurance companies;
- pension funds (*instellingen voor bedrijfspensioenvoorziening* / *institutions de retraite professionnelle*) as mentioned in article 2, 1° of the Act of 27 October 2006 on the supervision of pension funds;
- UCITS; and
- non-residents (subject to an affidavit of non-residency).

Tax on the physical delivery of bearer securities

Since Belgian legislation provides a ban on the physical delivery of bearer securities since January 1st 2008 (article 4 of the Act of 14 December 2005), the tax of 0.6 per cent. on the physical delivery of bearer securities in Belgium will not be applicable.

Gift tax and inheritance tax

Belgian tax legislation provides both gift tax and inheritance tax.

The rates vary depending on the Region in which the donator or the deceased has/had his residence (Brussels Region, Flemish Region, Walloon Region).

10. SPANISH TAXATION

The following discussion is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Spain, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in the Securities or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Securities and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, regional or local law in Spain, to which they may be subject.

1. Spanish resident individuals

1.1 Notes and Certificates

Personal Income Tax

Personal income tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holders of the Notes and Certificates may receive under the Notes and Certificates will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the assignment of own capital to third parties), regardless of whether is in kind or in cash, pursuant to Article 25 of Personal Income Tax Law 35/2006, of November 28.

Spanish holders of the Notes and Certificates shall compute the gross income obtained in the so called savings income tax base (*renta del ahorro*) of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Notes and Certificates will be calculated as the difference between: (a) their disposal, redemption or reimbursement value; and (b) their acquisition or subscription value. Costs and expenses effectively borne by the holder on the acquisition and transfer of the Notes and Certificates may be taken into account for calculating the relevant taxable income, provided that they can be duly justified. Likewise, expenses relating to the management and deposit of the Notes and Certificates, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

The savings income tax base is subject to personal income tax at the following tax rates in 2015: 19.5% on the first €6,000, 21.5% on the amount exceeding €6,000 up to €50,000, and 23.5% on the amount exceeding €50,000. These rates shall be reduced to6 19%, 21% and 23% in 2016.

Losses that may derive from the transfer of the Notes and Certificates cannot be offset if the investor acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Notes and Certificates, until the investor transfers such homogeneous securities.

Additionally, tax credits to prevent international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes and Certificates, if any.

Wealth Tax

Law 36/2014 on the State Budget for 2015 (Ley 36/2014, de 30 de diciembre, de Presupuestos Generales del Estado para 2015) has extended the effects of Wealth Tax for tax period 2015. A draft law submitted by

the Spanish Government to the Spanish Parliament with legal, economic and tax measures related to the State budget for the year 2016 (the "**Draft Budget Law**") extends the effects for tax period 2016.

Spanish tax resident individuals are subject to an annual Wealth Tax on the net worth of their individual's assets and rights, regardless of where are located, to the extent that their net worth exceeds €700,000 (we note that a different tax exempt amount may be approved the relevant Spanish Autonomous Region). Therefore, Spanish holders of the Notes and Certificates must take into account the value of the Notes and Certificates which they hold as at 31 December each year when calculating their Wealth Tax liabilities.

The marginal rates range between 0.2% and 2.5% and some reductions could apply. However, Spanish tax resident holders should take into account the specific tax regulations approved by their respective Spanish Autonomous Region, as some of them provides a full relief for Wealth Tax.

Inheritance and Gift Tax

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Notes and Certificates by inheritance, gift or legacy shall be subject to Spanish Inheritance and Gift Tax in accordance with applicable Spanish regional and State tax rules. The applicable tax rates range between 7.65% and 34% depending on the particular circumstances. This is nevertheless subject to the specific rules approved by the relevant Spanish Autonomous Regions with respect to this tax.

1.2 Warrants

Personal Income Tax

The following taxation considerations are based on the understanding that the Warrants should be treated as an option for Spanish tax purposes, therefore deriving capital gains or losses, as opposed to a debt instrument deriving income from the assignment of capital to third parties. If the Warrants were treated as a debt instrument for Spanish tax purposes, the applicable tax treatment would be the same as described for the Notes and Certificates.

The premium or amount paid for the subscription or acquisition of the Warrants would not be considered as a deductible expense, but as the acquisition value, which would include the expenses and commissions, inherent to the acquisition, paid by the acquirer.

Income obtained by the holders of the Warrants covered by this Base Prospectus on their transfer before the expiration date, will be considered as capital gains or losses in accordance with the provisions of the Spanish Personal Income Tax Law. The gain or loss shall be calculated as a difference between the transfer value, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as defined above.

Upon the exercise of the Warrants, income obtained would be considered as a capital gain or loss, which will be calculated as the difference between (i) the settlement price or amount, once any expenses and commissions paid by the taxpayer have been deducted, and (ii) the acquisition value, as defined above.

Capital gains derived from the transfer or exercise of the Warrants will be included in the savings income tax base (renta del ahorro), which is subject to Personal Income Tax at the following tax rates in 2015: 19.5% on the first €6,000, 21.5% on the amount exceeding €6,000 up to €50,000, and 23.5% on the amount exceeding €50,000. These rates shall be reduced to 19%, 21% and 23% in 2016.

Failure to exercise any Warrants on the expiration date would give rise to a capital loss on the acquisition value.

Losses that may derive from the transfer of the Warrants cannot be offset if the investor acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Warrants, until the investor transfers such homogeneous securities.

Capital losses may offset capital gains obtained during the tax period included in the savings income tax base. The excess, if any, may be offset against the positive balance of capital gains and losses derived from the transfer of assets or rights within the following four years. Since 1 January 2015 it is allowed to offset the excess of capital losses with the positive balance of the income from the assignment of capital to third parties, up to 25% of this positive balance (this limit shall be 10%, 15% and 20% in tax years 2015, 2016 and 2017 respectively). Any remaining excess can offset the positive balance of the income from the assignment of capital to third parties within the following four years, up to the same limit.

Wealth Tax

Law 36/2014 on the State Budget for 2015 (Ley 36/2014, de 30 de diciembre, de Presupuestos Generales del Estado para 2015) has extended the effects of Wealth Tax for tax period 2015, and we note that the Draft Budget Law for 2016 extends the effects for tax period 2016.

Spanish tax resident individuals are subject to an annual Wealth Tax on the net worth of their individual's assets and rights, regardless of where are located, to the extent that their net worth exceeds €700,000 (we note that a different tax exempt amount may be approved the relevant Spanish Autonomous Region). Therefore, Spanish holders of the Warrants must take into account the value of Warrants they hold as at 31 December each year when calculating their Wealth Tax liabilities.

The marginal rates range between 0.2% and 2.5% and some reductions could apply. However, Spanish tax resident holders should take into account the specific tax regulations approved by their respective Spanish Autonomous Region, as some of them provides a full relief for Wealth Tax.

Inheritance and Gift Tax

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Warrants by inheritance, gift or legacy shall be subject to Spanish Inheritance and Gift Tax in accordance with applicable Spanish regional and State tax rules. The applicable tax rates range between 7.65% and 34% depending on the particular circumstances. This is nevertheless subject to the specific rules approved by the relevant Spanish Autonomous Regions with respect to this tax.

2. Legal Entities with Tax Residence in Spain

2.1 Notes and Certificates

Corporate Income Tax

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates obtained by entities which are resident for tax purposes in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for Spanish Corporate Income Tax taxpayers is currently 28% in 2015, but it shall be reduced to 25% in 2016. Special rates apply in respect of certain types of entities.

Tax credits to prevent international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes and Certificates, if any.

2.2 Warrants

Corporate Income Tax

The premium or amount paid for the subscription or acquisition of the Warrants would not be considered as a deductible expense, but as the acquisition value, which would include the expenses and commissions, inherent to the acquisition, paid by the acquirer.

If the Warrants are transferred, the accounting result deriving from this transfer, calculated as the difference between the price received, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as defined above, shall be treated as taxable income subject to Corporate Income Tax under the general provisions described for the Notes and Certificates

Upon the exercise of the Warrants, the income obtained, calculated as the difference between (i) the settlement price or amount, once any expenses and commissions paid by the taxpayer have been deducted, and (ii) the acquisition value, as defined above, shall be treated as taxable income subject to Corporate Income Tax under the general provisions described for the Notes and Certificates. If the exercise of the Warrants results in the acquisition of shares or other securities, no taxable income should arise for the investor until these shares or securities are transferred.

If the Warrants are not exercised at maturity, the investor shall obtain a tax deductible negative income amounting to the acquisition value of the Warrants.

3. Non-resident investors with a permanent establishment in Spain

3.1 Notes and Certificates

A non-resident holder of the Notes and Certificates, who has a permanent establishment in Spain to which such Notes and Certificates are effectively connected with, is subject to Spanish Non-Residents' Income Tax on any income under the Notes and Certificates, including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates. In general terms, the tax rules applicable to individuals and entities non-resident in Spain acting through a permanent establishment in Spain are the same as those applicable to Corporate Income Tax taxpayers (explained above).

3.2 Warrants

A non-resident holder of the Warrants, who has a permanent establishment in Spain to which such Warrants are effectively connected with, is subject to Spanish Non-Residents' Income Tax on any income or gain derived from the Warrants, in a similar way than applicable to Spanish tax resident Corporate Income Tax taxpayers (explained above).

4. Spanish withholding tax

We note that, under Spanish tax law, the Issuer should not be obliged to deduct withholdings on account of Spanish income taxes since it is not a Spanish tax resident entity and does not have a permanent establishment in Spain to which the issue of the Securities is connected.

However, where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Notes or Certificates or intervenes as manager in the collection of any income under the Notes and Certificates, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes and Certificates (income from Warrants will not be subject to withholding tax in Spain). To this effect income deriving from the Notes and Certificates includes not only interest payments but also income arising from the disposal, redemption or reimbursement of the Notes and Certificates, if any.

The withholding tax rate in Spain in 2015 is 19.5 per cent, which shall be reduced to 19% in 2016. Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish tax resident individuals, or against final Spanish Corporate Income Tax liability, in the case of Spanish corporate, or against final Non-Residents' Income Tax, in the case of a Spanish permanent establishment of a non-resident holder of the Notes and Certificates.

Holders of the Notes and Certificates who are Corporate Income Tax taxpayers or Non-Residents' Income Tax taxpayers acting through a permanent establishment in Spain to which the Notes and Certificates are effectively connected with can benefit from a withholding tax exemption when the Notes and Certificates

are (i) traded in an OECD official stock exchange, or (ii) represented in book-entry form and admitted to trading in a Spanish secondary stock exchange or in the Alternative Fixed Income Securities Market (MARF).

Additionally, Spanish tax resident individuals holders of the Notes and Certificates can benefit from a withholding tax exemption in respect of the income arising from the transfer or repayment of the Notes and Certificates if the Notes and Certificates are represented in book-entry form and admitted to trading in a Spanish secondary stock exchange. However, under certain circumstances, when a transfer of the Notes and Certificates has occurred within the 30-day period immediately preceding any relevant interest payment date, the withholding tax exemption may not be applicable.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish Personal Income Tax and Corporate Income Tax when intervening in the transfer or reimbursement of the Notes and Certificates.

5. Payments made by the Guarantor

With respect to payments made by a non-Spanish Guarantor (if applicable) to Spanish resident holders of Securities or non-resident holders with a permanent establishment in Spain to which the Securities are effectively connected, our understanding of Spanish tax law is that such payments should be treated as a payment made by the Issuer, and thus should be subject to the Spanish tax regime described in the previous paragraphs.

6. Indirect taxation

No Transfer Tax, Stamp Duty or Value Added Tax shall be payable in Spain in connection with the acquisition, transfer, redemption, reimbursement and exchange of the Securities.

7. Reporting obligations to the Spanish Tax Authorities

Spanish resident holders of Securities or non-resident holders with a permanent establishment in Spain to which the Securities are effectively connected should seek advice from their tax advisor as to whether they should include the Securities in the annual reporting (Form 720) to the Spanish Tax Authorities declaring the assets and rights held outside Spain.

SUBSCRIPTION, SALE AND TRANSFER RESTRICTIONS

The Dealers have, in a dealer agreement (the "**Dealer Agreement**", which expression includes the same as it may be updated or supplemented from time to time) dated 6 February 2009 as most recently amended and restated on 27 November 2015, agreed with the Issuer a basis upon which they (or any one of them) may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under "Form of the Notes", in the Terms and Conditions of the Notes, in the Terms and Conditions of the Warrants and in the Terms and Conditions of the Certificates above. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The following selling restrictions may be modified by the Issuer and the relevant Dealer(s) following a change in the relevant law, regulation or directive and in certain other circumstances as may be agreed between the Issuer and the relevant Dealer(s). Any such modification will be set out in a Supplement to this Base Prospectus and (if applicable) the syndication agreement in respect of the Series (and/or Tranche, as the case may be) to which it is related.

Selling Restrictions: Jurisdictions outside the European Economic Area

United States

Selling Restrictions

Neither the Securities, the Guarantee nor any Entitlement to be delivered upon the exercise of Physical Delivery Warrants have been or will be registered under the Securities Act or under any state securities laws, and may not be offered, sold, delivered or exercised within the United States or to, or for the account or benefit of, U.S. persons. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended.

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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will offer, sell or deliver such Securities only in accordance with Rule 903 of Regulation S under the Securities Act and all applicable U.S. state securities laws. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes that constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982, the U.S. Tax Code, or U.S. Treasury regulations and are not considered to be in “registered form” for U.S. federal income tax purposes ("**TEFRA Notes**") are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to or for the account or benefit of a United States person except in compliance with (U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Tax Code (the "**TEFRA D Rules**").

In this regard, with respect to TEFRA Notes issued in compliance with the TEFRA D Rules, the Issuer and each Dealer and each other Dealer or purchaser (as the case may be) has represented and agreed, and each additional Dealer appointed under the Programme will be required to represent and agree, that in addition to the relevant U.S. securities selling restrictions set forth herein:

(a) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period it will not offer or sell, TEFRA Notes in bearer form to a person who is within the United States or its possessions or to a United States person and (y) it has not delivered and agrees that it will not deliver within the United States or its possessions definitive TEFRA Notes that will be sold during the restricted period;

(b) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling TEFRA Notes are aware that TEFRA Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the TEFRA D Rules);

(c) if it is a United States person, it is acquiring the TEFRA Notes for purposes of resale in connection with their original issuance, and if it retains TEFRA Notes for its own account, it will do so in accordance with the requirements of the TEFRA D Rules;

(d) with respect to each affiliate or distributor that acquires TEFRA Notes from the Issuer or any Dealer for the purpose of offering or selling such TEFRA Notes during the restricted period, the Issuer or Dealer either repeats and confirms the representations and agreements contained in subclauses (a), (b), and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of Issuer or Dealer the representations and agreements contained in such subclauses; and

(e) it has not and agrees that it will not enter into any written contract (other than confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Dealer) has offered or sold, or during the restricted period will offer or sell, any TEFRA Notes except where pursuant to the contract the Dealer has obtained or will obtain from that party, for the benefit of Issuer and the Dealer, the representations contained in, and that party's agreement to comply with, the provisions of subclauses (a), (b), (c) and (d).

Terms used in this section shall have the meanings given to them by the Internal Revenue Code and the regulations thereunder, including the TEFRA D Rules.

On March 18, 2010, the Hiring Incentives to Restore Employment Act (the "**HIRE Act**") was signed into law by President Barack Obama, which, among things, repeals the TEFRA D Rules for TEFRA Notes originally issued after March 18, 2012. However, in Notice 2012-20, the U.S. Department of Treasury and the U.S. Internal Revenue Service indicated that they intend to provide in regulations that rules identical to the TEFRA D Rules will apply to non-US issuers of TEFRA Notes for purposes of establishing an exemption from the excise tax imposed by Section 4701 of the U.S. Tax Code. (The amount of the excise tax is one per cent. of the principal amount of the obligation, multiplied by the number of calendar years until the obligation reaches maturity.) Consequently, TEFRA Notes issued in accordance with the TEFRA D Rules should continue to be treated as "foreign targeted obligations" that are exempt from the excise tax.

Until 40 days after the commencement of the offering of any Series of Securities, an offer or sale of such Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of Securities, whether linked to an Underlying Reference, Physical Delivery Notes or Physical Delivery Warrants or otherwise, as the case may be, shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Securities, which additional selling restrictions shall be set out in the applicable Final Terms.

Transfer Restrictions

Each purchaser of Notes, Warrants and Certificates will be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

(a) that it is outside the United States and is not a U.S. person nor is it purchasing Notes, Warrants or Certificates on behalf of a U.S. person;

(b) in the case of Warrants and Exercisable Certificates, that the Warrants may not be exercised in the United States or by or on behalf of a U.S. person. In addition, a person exercising a Warrant, may be required by the Issuer to deliver additional documents for compliance with Regulation S and the securities laws of the United States, which documents may include, the delivery by such person of either (i) a certificate to the effect that the person exercising the Warrant is not a U.S. person and the Warrant is not being exercised on behalf of a U.S. person and/or (ii) a written opinion of counsel to the effect that the Warrant and the securities delivered upon exercise thereof have been registered under the Securities Act or are exempt from registration thereunder;

(c) that the Securities are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Securities have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons;

(d) that Securities are being offered outside the United States in reliance on Regulation S and will be represented by one or more, in the case of Notes, Registered Global Notes or, in the case of Warrants, Registered Global Warrants or, in the case of Certificates, Registered Global Certificates;

(e) that the Issuer has not registered, and does not intend to register, as an investment company under the U.S. Investment Company Act of 1940 and that any transfer of the Securities which would cause the Issuer, any Compartment or the Guarantor, as the case may be, to become required to register under the U.S. Investment Company Act of 1940 will be void;

(f) that if it should resell or otherwise transfer the Securities, it will do so only outside the United States to or for the account of non-U.S. persons in compliance with Rule 903 or 904 of Regulation S under the Securities Act and in accordance with all applicable U.S. state securities laws and it acknowledges that the global Notes, Global Warrants and Global Certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE [NOTES REPRESENTED BY THIS SECURITY]/[WARRANTS REPRESENTED BY THIS SECURITY AND SECURITIES TO BE ISSUED UPON ITS EXERCISE]/[CERTIFICATES REPRESENTED BY THIS SECURITY] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE US STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE [OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS]/ [OFFERED, SOLD OR EXERCISED WITHIN THE UNITED STATES OR TO, BY, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS]. THE ISSUER HAS NOT REGISTERED, AND DOES NOT INTEND TO REGISTER, AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940. THE FOREGOING TRANSFER RESTRICTIONS ARE INTENDED TO ENSURE THAT THE ISSUER IS NOT REQUIRED TO REGISTER AS AN INVESTMENT COMPANY AND ANY TRANSFER IN VIOLATION OF THE FOREGOING TRANSFER RESTRICTIONS WILL BE VOID."; and

(g) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such

acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Securities as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account. Each purchaser and each subsequent holder is required to notify any transferee of the restructuring or transfer set forth above.

Selling Restrictions: Jurisdictions within the European Economic Area

Public Offer Selling Restrictions under the Prospectus Directive

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 the United Kingdom, France, Belgium, Spain, Germany, The Grand Duchy of Luxembourg, The Netherlands, Czech Republic and the Republic of Italy.

European Economic Area

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

(a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

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

(c) 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 Dealer or Dealers nominated by the Issuer for any such offer; or

(d) 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 (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of 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 for 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 (and amendments thereto, including the 2010 PD Amending

Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

In relation to each Tranche of Securities, each Dealer subscribing for or purchasing such Securities has represented to, warranted and agreed with, and each further Dealer appointed under the Programme and each other Dealer will be required to represent to, warrant and agree with, the Issuer and the Guarantor (if applicable), that:

(a) in relation to Securities having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Market Act 2000 (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not or, in the case of the Guarantor (if applicable), would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and

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

France

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

(i) Offer to the public in France:

it has only made and will only make an offer of Securities to the public (*offre au public de titres financiers*) in France in the period beginning on the date of publication of a prospectus in relation to those Securities which has been approved by the *Autorité des Marchés Financiers* (the "**AMF**") in France or, where appropriate, when approved in another Member State of the European Economic Area which has implemented the Prospectus Directive on the date of notification to the AMF in France, and ending at the latest on the date which is 12 months after the date of approval of the Prospectus all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(ii) Private placement in France:

(in relation to Securities listed on Euronext Paris, in connection with their initial distribution only) it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the prospectus or any other offering material relating to the Securities, and that such offers, sales and distributions have been and shall only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties (*les personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors acting for

their own account (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Republic of Italy

The offering of the Securities has not been registered and will not be registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or "**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Dealer will be required to represent and agree, that no Securities may be offered, sold, promoted, advertised or delivered, directly or indirectly, to the public in the Republic of Italy, nor may copies of this Base Prospectus, any Final Terms or any other document relating to the Securities be distributed, made available or advertised in the Republic of Italy, except:

(1) to "**Qualified Investors**" (*Investitori Qualificati*) as defined pursuant to article 100, paragraph 1(a) of the Italian Legislative Decree No. 58 of 24th February, 1998 as amended from time to time (the "**Italian Financial Services Act**"), and in article 34-*ter*, paragraph 1(b) of CONSOB Regulation No. 11971 of 14th May, 1999 as amended from time to time ("**CONSOB Regulation No. 11971**"); or

(2) if it is specified within the relevant Final Terms that a non-exempt offer may be made in the Republic of Italy, that each Dealer may offer, sell or deliver Securities or distribute copies of any prospectus relating to such Securities, provided that such prospectus has been (i) approved in another Relevant Member State and notified to CONSOB, and (ii) completed by final terms (if applicable) expressly contemplating such non-exempt offer, in an offer of financial products to the public in the period commencing on the date of approval of such prospectus, in accordance with the Prospectus Directive, as implemented in the Republic of Italy under the Italian Financial Services Act and CONSOB Regulation No. 11971, until 12 months after the date of approval of such prospectus; or

(3) in any other circumstances which are exempted from the rules on public offerings pursuant to article 100 of the Italian Financial Services Act, article 34-*ter* of CONSOB Regulation No. 11971 and any other applicable laws and regulations.

In any event, any such offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus, any Final Terms or any other document relating to the Securities in the Republic of Italy under (1), (2) or (3) above must be:

(a) made by an investment firm, bank or financial intermediary - an "**authorised entity**" (*soggetto abilitato*) - permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, the Italian Legislative Decree No. 358 of 1st September, 1993 as amended from time to time (the "**Italian Consolidated Banking Act**") and CONSOB Regulation No. 16190 of 29th October, 2007 (as amended from time to time);

(b) in compliance with article 129 of the Italian Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy or any other Italian competent authority.

Article 30 of the Italian Financial Services Act permits the promotion and placement to the public in the Republic of Italy of financial instruments in a place other than the registered office or establishments of the issuer, the offeror or the appointed person carrying out such promotion and/or placement, under certain conditions. Such activity is referred in the Italian Financial Services Act as "door-to-door selling" (*offerta*

fuori sede). Pursuant to paragraph 6 of Article 30 of the Italian Financial Services Act, all door-to-door selling of financial instruments must be accompanied by a clear indication to investors that they have a right of withdrawal from any contract entered into pursuant to door-to-door selling, exercisable within a period of seven days from the date of subscription by the investor. Within such period, contracts entered into pursuant to door-to-door selling shall not be enforceable, and investors may exercise their withdrawal right without payment of any charge or commission by contacting the offeror or appointed person with whom the subscription for Securities was placed. Failure to indicate such right of withdrawal in the relevant forms given to investors shall result in the nullity of the related contracts, which may be enforced only by the relevant customer. If so specified in the applicable Final Terms, a non-exempt offer of Securities in the Republic of Italy may be made using door-to-door selling in accordance with Article 30 of the Italian Financial Services Act during the period specified in such Final Terms. Further, if so specified in the applicable Final Terms, Securities may be offered in the Republic of Italy to investors through recorded telephone orders pursuant to applicable Italian law.

Provisions relating to the secondary market in Republic of Italy

Investors should also note that, in accordance with article 100-bis of the Italian Financial Services Act:

(a) where no exemption from the rules on public offerings applies under paragraphs (1) and (3) above, the subsequent distribution on the secondary market in Italy of the Securities initially placed pursuant to an exemption to publish a prospectus must be made in compliance with the rules on offer of securities to the public provided under the Italian Financial Services Act and the CONSOB Regulation No. 11971;

(b) where no exemption from the rules on public offerings applies under paragraph (3) above, if any of the Securities which have been initially placed in Italy or abroad to Qualified Investors only are then systematically resold to non-Qualified Investors at any time in the 12 months following such placing, such resale would qualify as an offer of securities to the public. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of such Securities (who are acting outside of the course of their business or profession) may be entitled to obtain that the resale is declared null and void and the authorised entities ("*soggetti abilitati*" as defined in the Italian Financial Services Act) transferring the Securities may be held liable for any damages suffered by the purchasers; and

(c) any intermediary subsequently reselling the Securities is entitled to rely upon the prospectus published by the issuer or the person responsible for drawing up a prospectus as long as this is valid, duly supplemented in accordance with the Italian Financial Services Act and CONSOB Regulation No. 11971 and provided that the issuer or the person responsible for drawing up such prospectus have given their written consent to its use.

Spain

Neither the Securities nor this Base Prospectus have been approved or registered with the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Securities may not be offered, distributed, sold or re-sold in Spain except in compliance with the requirements set out in the Spanish Securities Market Law of July 28, 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated (the "Spanish Securities Market Law") and Royal Decree 1310/2005 of 4 November (*Real Decreto 1310/2005 de 4 de noviembre*), and supplemental rules enacted thereunder or in substitution thereof from time to time. Once the Base Prospectus has been passported into Spain, any offer of the Securities in Spain made pursuant to such passported Base Prospectus shall be addressed only, and offer material will be solely made available, to those investors to which the offer is addressed according to the referred Spanish Securities Market Law and Royal Decree 1310/2005 of 4 November and any other terms and conditions that may apply to the passporting of the Base Prospectus into Spain.

Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities have not been and will not be offered or sold or publicly promoted or advertised by it in Germany other than in compliance with the provisions of the German Securities Prospectus Act (Wertpapierprospektgesetz) of 22 June 2005, as amended, and of the German Act on Investments of Assets (Vermögensanlagengesetz) of 6 December 2011, as amended, or of any other laws applicable in Germany governing the issue, offering and sale of securities.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will only (i) offer, sell or deliver any Registered Notes, Warrants or Certificates to (a) credit institutions, which are licensed to conduct lending business within the meaning of section 1 (1) sentence 2 no. 2 of the German Banking Act (Kreditwesengesetz; the KWG) in Germany, (b) investment management companies (Kapitalverwaltungsgesellschaften), (c) insurance companies licensed in Germany, or (d) equity investment companies (Unternehmensbeteiligungsgesellschaften) within the meaning of section 2 (1) no. 6 KWG in Germany, or (ii) (in case such Dealer has its registered seat in Germany) purchase any Registered Notes, Warrants or Certificates if such Dealer itself falls under one of the aforementioned categories.

The Netherlands

A. Applicable to all Securities

Each Dealer represents and agrees that the Securities (or any interest therein) may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in The Netherlands, on their issue date or at any time thereafter and neither the Base Prospectus nor any other document in relation to any offering of the Securities (or any interest therein) may be distributed or circulated in The Netherlands other than to qualified investors ("**QIs**") (*gekwalificeerde beleggers*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and provided that these parties acquire the relevant Securities for their own account or that of another QI.

B. Specific to Zero Coupon Notes

Notes which qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake spaarbewijzen*) ("**SCA**") may only be transferred or accepted through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. with due compliance with the SCA and its implementing regulations, provided that no mediation is required in respect of:

(a) the initial issue of those Notes to the first holders thereof;

(b) any transfer and delivery by individuals who do not act in the conduct of a profession or trade; and

(c) the issue and trading of those Notes, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

Accordingly, each Dealer has represented and agreed that it (i) has mentioned and shall mention the relevant selling restriction on all offers, offer advertisements, publications and other documents or advertisements in which such an offer of the Notes is made or such a forthcoming offer is announced (whether electronically or otherwise) and (ii) shall not offer, sell or transfer or cause the Notes in definitive form and other Notes in definitive form on which interest does not become due and payable during their term but only at maturity, to be offered, sold or transferred directly or indirectly, within, from or into The Netherlands, except in conformity with the requirements of the SCA.

The Grand Duchy of Luxembourg

In relation to the Grand Duchy of Luxembourg ("**Luxembourg**"), which has implemented the Prospectus Directive by the Luxembourg act dated 10 July 2005 relating to prospectuses for securities, as amended (the "**Prospectus Act 2005**"), each Dealer represents and agrees, and each further Dealer appointed under the Programme and each other Dealer will be required to represent and agree, that it has not made and will

not make an offer of Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms to the public in Luxembourg, except that it may make an offer of such Securities to the public in Luxembourg:

(a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to article 5.2 of the Prospectus Act 2005 in Luxembourg (a "**Non-exempt Offer**"), following the date of publication of the Base Prospectus in relation to such Notes which has been approved by the *Commission de surveillance du secteur financier* (the "**CSSF**"), as competent authority in Luxembourg or, where appropriate, approved in another Member State of the European Economic Area which has implemented the Prospectus Directive and notified to the CSSF, provided that the Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Act 2005, in the period beginning and ending on the dates specified in the Base Prospectus or the Final Terms, as applicable;

(b) at any time, to legal entities which are qualified investors as defined in the Prospectus Act 2005;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Act 2005) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer, or

(d) at any time, in any other circumstances falling within article 5.2 of the Prospectus Act 2005,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to article 5 of the Prospectus Act 2005 or supplement a prospectus pursuant to article 13 of the Prospectus Act 2005.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in the Grand Duchy of Luxembourg means the communication in any form 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 to these Securities.

Czech Republic

No offers or sales of any Securities may be made in the Czech Republic through a public offering, being subject to several exemptions set out in the Act of the Czech Republic No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the "**Capital Market Act**"), which under the Capital Market Act comprises any communication to a broader circle of persons containing information on the Securities being offered and the terms under which they may acquire the Securities and which are sufficient for the investor to make a decision to subscribe for, or purchase, such Securities.

No action has been taken or will be taken which would result in the Securities being deemed to have been issued in the Czech Republic or pursuant to Czech law under relevant provisions of the Act of the Czech Republic No. 190/2004 Coll., on Bonds, as amended (the "**Bonds Act**"), and the issue of the Securities qualifying as "accepting of deposits from the public" by the relevant Issuer in the Czech Republic under Section 2(2) of the Act of the Czech Republic No. 21/1992 Coll., on Banks, as amended (the "**Banks Act**"), or requiring a permit, registration, filing or notification to the Czech National Bank or other authorities in the Czech Republic in respect of the Securities in accordance with the Capital Market Act, the Banks Act or practice of the Czech National Bank.

All of the laws of the Czech Republic applicable to the conduct of business in the Czech Republic, including the laws applicable to the provision of investment services (within the meaning of the Capital Market Act) in the Czech Republic, in respect of the Securities have been complied with.

No action has been taken or will be taken which would result in the issue of the Securities being considered an intention to manage assets by acquiring funds from the public in the Czech Republic for the purposes of collective investment pursuant to defined investment policy in favour of the investors under the Act of the

Czech Republic No. 240/2013 Coll., on Management Companies and Investment Funds, (the "**MCIFA**"), which implements the Directive 2011/61/EU. Any issue, offer or sale of the Securities has been or will be carried out in strict compliance with the MCIFA.

Belgium

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

(i) Offer to the public in Belgium:

in relation to any offer of Securities to the public in Belgium, it may only make such offer provided (a) a prospectus in relation to those Securities is either approved by the Financial Services and Markets Authority *(Autoriteit voor Financiële Diensten en Markten/ Autorité des services et marchés financiers*) (the "**FSMA**") or, where appropriate, approved by the competent authority in another Relevant Member State and notified to the FSMA, all in accordance with the Belgian Law of 16 June 2006 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market, as supplemented and amended from time to time (the "**Prospectus Law**") and (b) any person providing intermediation services in relation to the Securities shall be authorised to do so under articles 55 and 56 of the Prospectus Law (to the extent applicable); and

(ii) Private placement in Belgium:

in relation to any private placement of Securities in Belgium, (a) it has not and will not take any action to permit an offer of Securities to the public in Belgium, and, in particular, it will not make this Base Prospectus or any other offering material relating to the Securities available to the public or cause it to be made available to the public, it will not use this Base Prospectus or any other offering material relating to the Securities or cause it to be used in connection with any public offering for subscription of the Securities in Belgium, and it will not publicly issue, offer or sell the Securities in Belgium and (b) any person providing intermediation services in relation to the Securities shall be authorised to do so under articles 55 and 56 of the Prospectus Law (to the extent applicable).

In accordance with Article 3 of the Prospectus Law, certain types of offers are not considered as offers to the public. This includes offers (i) to less than 150 persons other than certain qualified investors (per Relevant Member State), (ii) to certain qualified investors only, or (iii) to investors that are required to acquire Securities for a total consideration of EUR 100,000 or more (or its equivalent in foreign currencies) per investor and per separate offer. In case of a private placement, prospective acquirers shall only acquire Securities for their own account. In addition, the Securities shall not be offered or sold to any person qualifying as a consumer within the meaning of the Belgian Code of Economic Law, unless such offer or sale is made in compliance with this code and its implementing regulations.

Russia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold or transferred or otherwise disposed of, and will not offer or sell or transfer or otherwise dispose of, as part of their initial distribution or at any time thereafter, any Securities to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation, or to any person located within the territory of the Russian Federation, unless and to the extent otherwise permitted under Russian law.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme and each other Dealer will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable

securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Base Prospectus or any offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor (if applicable) nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Guarantor (if applicable) or any of the Dealers represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Series (and/or Tranche, as the case may be), the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms and relevant syndication agreement (if applicable).

GENERAL INFORMATION

Authorisation

The publication of this Base Prospectus has been approved by a resolution of the Board of the Issuer on 27 November 2015.

Listing, Approval and Admission to Trading on the Luxembourg Stock Exchange

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**"). In the case of any non-exempt offer of Securities in respect of which application is not made to have such Securities admitted to trading on the Luxembourg Stock Exchange, details of any stock exchange in respect of which an application has or will be made to have such Securities admitted to trading will be included in Part B, paragraph 1 of the relevant Final Terms.

Availability of Documents

For the period of 12 months following the date of approval of this Base Prospectus, copies of the following documents will, when published, be available for inspection during normal business hours at the specified office of the Issuing and Paying and the Principal Warrant and Certificate Agent:

(a) copies of the Articles of the Issuer;

(b) the Dealer Agreement, the Agency Agreement, and the Master Trust Terms (which includes, *inter alia*, the forms of the global Notes (including Registered Global Notes), the forms of the Global Warrants (including Registered Global Warrants), the forms of the Global Certificates (including Registered Global Certificates) Receipts, Coupons and Talons, Notes in definitive form);

(c) a copy of this Base Prospectus;

(d) any future prospectuses, information memoranda and supplements including the Final Terms (save that Final Terms relating to Private Placement Notes, Private Placement Warrants and Private Placement Certificates will only be available for inspection by a holder of such Note, Warrant or Certificate respectively and such holder must produce evidence satisfactory to the Issuer or Paying Agent as to its holding of such Notes, Warrants or Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference;

(e) the published annual audited financial statements of the Issuer;

(f) copies of the *Statuts* of BNP Paribas (with English translation thereof);

(g) the documents constituting the BNP Paribas Disclosure including the audited annual consolidated financial statements of BNPP for the two years ended 31 December 2013 and 31 December 2014 and the most recently published unaudited interim consolidated financial statements of BNPP;

(h) the documents constituting the BNL Disclosure, including the audited annual consolidated financial statements of BNL for the two years ended 31 December 2013 and 31 December 2014; and

(i) copies of any Guarantees.

In addition, this Base Prospectus, documents incorporated by reference herein and any Final Terms relating to Securities admitted to trading on the Luxembourg Stock Exchange's regulated market as aforementioned will be published on the internet site of the Luxembourg Stock Exchange at www.bourse.lu.

For the period of 12 months following the date of this Base Prospectus, copies and, where appropriate, English translations, of the following documents will be available for inspection at the registered office of Banca Nazionale del Lavoro S.p.A., in Italian language:

(a) BNL's Articles of Incorporation;

(b) BNL's Annual Report 2014;

(c) BNL's Auditors' Report 2014;

(d) BNL's Annual Report 2013; and

(e) BNL's Auditors' Report 2013.

Investors should consult the Issuer should they require a copy of the ISDA Definitions and/or the FBF Agreement.

No Material Adverse Change

Issuer

There has been no material adverse change in the prospects of the Issuer since 31 December 2014 (being the end of the latest financial year for which audited financial information has been published).

BNPP

Save as described in the paragraphs below, there has been no material adverse change in the prospects of BNP Paribas or the Group since 31 December 2014 (being the end of the last financial period for which audited financial statements have been published).

BNL

There has been no material adverse change in the prospects of BNL since 31 December 2014 (being the end of the last financial period for which audited financial statements have been published).

No Significant Change

Issuer

There has been no significant change in the financial or trading position of the Issuer since 30 June 2015 (being the end of the last financial period for which interim financial information has been published).

BNPP

There has been no significant change in the financial or trading position of BNP Paribas or the Group since 30 September 2015 (being the end of the last financial period for which interim financial statements have been published).

BNL

There has been no significant change in the financial or trading position of BNL since 31 December 2014 (being the end of the last financial period for which financial statements have been published).

Litigation

Issuer

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 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's financial position or profitability.

BNPP

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 BNPP 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 BNPP and/or the Group's financial position or profitability.

BNL

Save as disclosed in "Legal Proceedings" in the section "*Description of Banca Nazionale del Lavoro S.p.A*", there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNL is aware), during the period covering at least the 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on BNL's financial position or profitability.

Clearing Systems

Securities in Euroclear/Clearstream

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Series (and/or Tranche, as the case may be) of Securities allocated by Clearstream, Luxembourg will be contained in the applicable Final Terms.

The address of Euroclear is 1, boulevard du Roi Albert II, B-1210, Brussels, Belgium; the address of Clearstream, Luxembourg is 42, avenue J F Kennedy, L-1855, Luxembourg.

Conditions for determining price

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

Auditors

Issuer

The auditors of the Issuer are PricewaterhouseCoopers. The auditors of the Issuer have no material interest in the Issuer.

BNPP

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*).

The BNPP Group divides the audit committee responsibility to review the annual consolidated financial statements of BNPP between a Financial Statement Committee and an Internal Control and Risks Committee. Please refer to page 65 of the 2013 BNPP Registration Document (which is incorporated by reference into the Base Prospectus) for further details.

BNL

BNL's shareholders' meeting on April 29, 2010 decided to appoint as independent auditor, pursuant to the Legislative Decree No. 39/2010, from the fiscal year 2010 to the fiscal year 2018, Deloitte & Touche S.p.A. (the "**Auditor**") with its registered office at Via Tortona n. 25 – 20144 Milan, registered in the ordinary section of the Register of Enterprises (CCIAA) of Milan, with resolution no. 03049560166; enrolled at the Special Register of Audit Firms held by CONSOB pursuant to article 161 of the Italian Legislative Decree No. 58 of 24 February 1998 and to article 43, paragraph 1, letter i), of the Legislative Decree No. 39 of 27 January 2010, with resolution no. 14182 of 29 July 2003, register number 48 CONSOB code 264848, name of the Network to which it belongs: Deloitte Touche Tohmatsu.

Deloitte & Touche has audited the unconsolidated Annual Reports of BNL and the consolidated Annual Reports of BNL Group as of and for the fiscal years 2013 and 2014 and has issued an unqualified audit opinion thereon with specific reports. The Auditor's reports available to the public free of charge.

The auditors of BNL have no material interest in BNL.

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.

Post issuance information

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

Potential Conflicts of Interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, either Guarantor (if applicable) and their affiliates in the ordinary course of business.

Overview of parties

The Issuer is SecurAsset S.A. Its shares are held by Stichting AssetSecur. BNP Paribas Arbitrage S.N.C., which acts as Arranger and a Dealer, BNL which acts as a Guarantor and BNP Paribas Securities Services, Luxembourg Branch which acts, among other things, as Issuing and Paying Agent, Principal Warrant and Certificate Agent, Cash Manager, Account Bank and Custodian, are wholly owned subsidiaries of BNP Paribas which may act as Guarantor and which acts as a Dealer. BNP Paribas Fortis SA/NV, which may act as a Swap Counterparty, is a subsidiary of BNP Paribas. BNP Paribas Trust Corporation UK Limited, which is the Trustee, is a subsidiary of BNP Paribas Securities Services S.C.A.

ISSUER
SecurAsset S.A.
20, rue de la Poste
Luxembourg L-2346

ARRANGER AND CALCULATION AGENT
BNP Paribas Arbitrage S.N.C.
160-162 boulevard Macdonald
75019 Paris
France

TRUSTEE
BNP Paribas Trust Corporation UK Limited
55 Moorgate
London EC2R 6PA

ISSUING AND PAYING AGENT, LISTING AGENT, REGISTRAR, TRANSFER AGENT, PRINCIPAL WARRANT AND CERTIFICATE AGENT AND CUSTODIAN
BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald-Hesperange
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