BASE PROSPECTUS DATED 29 MAY 2009

BNP PARIBAS

(incorporated in France)

(as Issuer and Guarantor)

BNP PARIBAS ARBITRAGE ISSUANCE B.V.

(*incorporated in the Netherlands*)

(*as Issuer*)

€90,000,000,000

PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

Under this €90,000,000,000 programme for the issuance of debt instruments (the "**Programme**"), each of BNP Paribas ("**BNPP**" or the "**Bank**") and BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**" and together with BNPP, the "**Issuers**" and each an "**Issuer**" and references herein to the "**relevant Issuer**" being to the Issuer of the relevant Notes) may from time to time issue Notes in bearer or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**" and, together, the "**Notes**") denominated in any currency agreed by the relevant Issuer and the relevant Dealer(s) (as defined below). This Base Prospectus ("**Base Prospectus**" or "**this Document**") supersedes and replaces all previous offering circulars or prospectuses prepared in connection with the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Document are issued subject to the provisions described herein. This does not affect any Notes already in issue. Notes may be issued whose return (whether in respect of any interest payable on such Notes and/or their redemption amount) is linked to one or more indices ("**Index Linked Notes**") or one or more Shares of any company(ies) ("**Share Linked Notes**") or one or more inflation indices ("**Inflation Linked Notes**") or one or more commodities or commodity indices ("**Commodity Notes**") or one or more fund shares or units ("**Fund Linked Notes**") or the credit of a specified entity or entities ("**Credit Linked Notes**") or one or more GDRs or ADRs ("**GDR/ADR Linked Notes**"), or one or more custom indices ("**Custom Index Linked Notes**") or one or more foreign exchange rates ("**Foreign Exchange (FX) Rate Linked Notes**") or one or more other underlying reference asset(s) or any combination thereof ("**Hybrid Notes**") as more fully described herein. Notes may provide that settlement will by way of cash settlement ("**Cash Settled Notes**") or physical delivery ("**Physical Delivery Notes**") as provided in the applicable Final Terms.

The Notes will be issued to one or more of the Dealers specified below (each a "**Dealer**" and together the "**Dealers**", which expression shall include any additional Dealer appointed under the Programme from time to time) on a continuing basis by way of private or syndicated placements.

The Notes issued by BNPP B.V. will be guaranteed by BNPP (in such capacity, the "**Guarantor**") pursuant to a deed of guarantee dated 29 May 2009 (the "**Deed of Guarantee**").

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Law on Prospectuses for Securities to approve this document as a Base Prospectus. Upon such approval, application may be made for Notes issued under the Programme to be traded on the Regulated Market or the EuroMTF Market (in each case, as defined below) operated by the Luxembourg Stock Exchange. References in this Document to the "**Luxembourg Stock Exchange**" (and all related references) shall include the Regulated Market and/or the EuroMTF Market, as the case may be (as specified in the applicable Final Terms). In addition, references in this Document to Notes being "**listed**" (and all related references) shall mean that such Notes have been listed on the Official List of the Luxembourg Stock Exchange or, as the case may be, a Regulated Market (as defined below). The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (each such regulated market being a "**Regulated Market**"). This Document may be used to admit Notes to trading on the Luxembourg Stock Exchange's Regulated Market or the EuroMTF exchange regulated market (the "**EuroMTF Market**"), in each case of the Luxembourg Stock Exchange and to list Notes on the Official List of the Luxembourg Stock Exchange pursuant to the Programme. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuers and the relevant Dealer(s). Each Issuer may also issue unlisted Notes.

In the case of Notes issued by BNPP B.V. and guaranteed by BNPP, if the applicable Final Terms specify that Condition 6(b)(i) is applicable, all payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any relevant jurisdiction, subject as provided in Condition 6(b)(i). In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor, will, save in certain limited circumstances provided in Condition 6(b)(i), be required to pay additional amounts to cover the amounts so deducted.

In the case of Notes issued by BNPP B.V. and guaranteed by BNPP, if the applicable Final Terms specify that Condition 6(b)(ii) is applicable to the Notes, neither the Issuer or, 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.

Each issue of Bearer Notes will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**"). If a Global Note in bearer form is stated in the applicable Final Terms to be issued in new global note ("**NGN**") form such Global Note will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV, ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**").

Global Notes in bearer form which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") will be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

Each issue of Registered Notes will initially be represented by one or more registered Global Notes.

Arranger for the Programme

BNP Paribas

Dealers
(in respect of issues by BNPP)

Barclays Capital

Goldman Sachs International

BNP Paribas UK Limited

J.P. Morgan

Citi

Merrill Lynch International

Credit Suisse

Morgan Stanley

UBS Investment Bank

Dealer

(in respect of issues by BNPP B.V.)

BNP Paribas Arbitrage S.N.C.

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

This Document is to be read in conjunction with all documents which are incorporated herein by reference as described in "Documents Incorporated by Reference" below. This Document shall be read and construed on the basis that such documents are so incorporated and form part of this Document.

Information contained in this Document which is sourced from a third party has been accurately reproduced and, as far as each Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Each Issuer has also identified the source(s) of such information The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and, if applicable, the Guarantor for the information relating to the underlying asset, index or other item(s) to which the Notes relate.

*This Document (together with supplements to this Document from time to time (each a "**Supplement**" and together the "**Supplements**") comprises a base prospectus for the purposes of (i) Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and (ii) the relevant implementing measures in the Grand Duchy of Luxembourg and, in each case, for the purpose of giving information with regard to the Issuers. In relation to each separate issue of Notes, the final offer price and the amount of such Notes will be determined by the relevant Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the relevant Final Terms.*

Subject as provided in the applicable Final Terms, the only persons authorised to use this Document in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Document or any other information provided by BNPP B.V. and/or the Bank in connection with the Programme or the Notes. The Dealers accept no liability in relation to the information contained in this Document or any other information provided by BNPP B.V. and/or the Bank in connection with the Programme or the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Document or any further information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by BNPP B.V. and/or BNPP or any of the Dealers.

In connection with the issue and sale of Notes, none of BNPP B.V., BNPP and/or their affiliates will, unless agreed to the contrary in writing, act as a financial adviser to any Noteholder.

Neither this Document nor any other information supplied in connection with the Programme or the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by BNPP B.V. and/or BNPP or any of the Dealers that any recipient of this Document or any other information supplied in connection with the Programme should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and where the relevant Issuer is BNPP B.V., the Bank. Neither this Document nor any other information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of BNPP B.V. and/or BNPP or any of the Dealers to any person to subscribe for or to purchase any of the Notes.

The delivery of this Document does not at any time imply that the information contained herein concerning BNPP B.V. and/or BNPP is correct at any time subsequent to the date of this Document or

that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of BNPP B.V. and/or BNPP during the life of the Programme. Prospective investors should review, inter alia, the most recently published audited annual non-consolidated financial statements of BNPP B.V. and/or the most recently published audited annual consolidated financial statements and unaudited semi-annual interim consolidated financial statements of BNPP, when deciding whether or not to purchase any of the Notes.

This Document does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such offer or a solicitation by anyone not authorised so to act.

*The distribution of this Document and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Document or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Document and the offer or sale of the Notes in the European Economic Area ("**EEA**") (and certain member states thereof), Japan and the United States (see "Subscription and Sale" below).*

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale" below).*

*This Document has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Document as completed by final terms in relation to the offer of those Notes 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 has been completed by 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 and 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. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.*

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE (AS DEFINED IN "TERMS AND CONDITIONS OF THE NOTES" BELOW) OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (THE "STABILISING MANAGER(S)") (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE. ANY STABILISATION ACTION OR OVER-

ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In this Document, references to "**euro**", "**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 establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam, references to "**$**", "**U.S.$**" and "**U.S. dollars**" are to United States dollars, references to "**cents**" are to United States cents, references to "**yen**" and "**¥**" are to Japanese yen, references to "**sterling**" and "**£**" are to pounds sterling and references to "**CHF**" are to Swiss francs.

FORWARD-LOOKING STATEMENTS

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

PRESENTATION OF FINANCIAL INFORMATION

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

BNP Paribas consolidated financial statements for the years ended 31 December 2007 and 31 December 2008 have been prepared in accordance with international financial reporting standards ("**IFRS**") as adopted by the European Union. The Group's fiscal year ends on 31 December and references in the information statement dated 28 May 2009 (the "**Information Statement**") 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 2007 and 31 December 2008 of BNP Paribas Arbitrage Issuance B.V. were prepared in accordance with Dutch generally accepted accounting principles.

Due to rounding, the numbers presented or incorporated by reference throughout this Document or the Information Statement may not add up precisely, and percentages may not reflect precisely absolute figures.

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SUMMARY

This summary must be read as an introduction to this Document. Any decision to invest in any Notes should be based on a consideration of this Document as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to any Responsible Persons in any such Member State in respect of this Summary unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Document. Where a claim relating to information contained in this Document is brought before a court in a Member State of a European Economic Area State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Document before the legal proceedings are initiated.

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below and in the applicable Final Terms shall have the same meanings in this summary.

Issuers	BNP Paribas ("**BNPP**" or the "**Bank**", and together with its consolidated subsidiaries, the "**Group**") BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**")
Guarantor (in the case of Notes issued by BNPP B.V.)	BNPP
Description of BNPP B.V.	BNPP B.V. is a private company with limited liability under Dutch law. Its principal objectives are to issue and acquire financial instruments of any nature and to enter into related agreements for account of various entities of the Group. Its objects, among other things, as set out in its articles of association and principal activities are to: (i) borrow, lend out and collect monies, including but not limited to the issue or the acquisition of debentures, debt instruments, financial instruments such as, *inter alia*, notes of any nature, with or without indexation based on, *inter alia*, shares, baskets of shares, stock exchange indices, currencies, commodities, commodity indices or futures on commodities and to enter into related agreements; and (ii) engage in industrial, financial and commercial activities of any nature, and all other things as may be deemed incidental or conducive to the attainment of its objects.
Description of BNPP	The Group (of which BNP Paribas is the parent company) is a European leader in banking and financial services. It has one of the largest international banking networks, a presence in over 80 countries and more than 205,000 employees, including 165,000 in Europe. The Group enjoys key positions in its three activities: Retail banking, which includes the following operating entities: French Retail Banking (FRB), BNL banca commerciale (BNL bc), Italian retail banking, BancWest, Emerging Market Retail Banking, Personal Finance, Equipment Solutions; Asset Management & Services, Corporate and Investment Banking.

At 31 December 2008, the Group had consolidated assets of €2,075.6 billion (compared to €1,694.5 billion at 31 December 2007), consolidated loans and receivables due from customers of €494.4 billion (compared to €445.1 billion at 31 December 2007), consolidated items due to customers of €414.0 billion (compared to €346.7 billion at 31 December 2007) and shareholders' equity (Group share including income for 2008) of €53.2 billion (compared to €53.8 billion at 31 December 2007). Pre-tax net income for the year ended 31 December 2008 was €3.9 billion (compared to €11.1 billion for the year ended 31 December 2007). Net income, Group share, for the year ended 31 December 2008 was €3.0 billion (compared to €7.8 billion for the year ended 31 December 2007).

Risk Factors (Issuers)

There are certain factors that may affect each Issuer's ability to fulfil its obligations under the Notes issued under the Programme and (where applicable) the Guarantor's obligations under the Guarantee. These include the following risk factors related to the Bank and its industry:

(i) Eight main categories of risks are inherent in the Bank's activities:

- Credit and counterparty Risk;
- Market Risk;
- Operational Risk;
- Asset-Liability Management Risk;
- Refinancing (liquidity) Risk;
- Insurance Subscription Risk;
- Break-even Risk; and
- Concentration Risk.

Deteriorating economic conditions have adversely affected the Bank's industry and the Bank's results and could in the future have a material adverse effect on the Bank's liquidity, earnings and financial condition.

There can be no assurance that legislative action and other measures taken by governments and regulators in France or globally will fully and promptly stabilise the financial system, and the Bank and its shareholders may be adversely affected by measures taken in connection with such legislation.

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

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

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

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

Significant interest rate changes could adversely affect the Bank's net banking income or profitability.

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

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

An interruption in or a breach of the Bank's information systems may result in lost business and other losses.

Unforeseen external events can interrupt the Bank's operations and cause substantial losses and additional costs.

The Bank is subject to extensive supervisory and regulatory regimes in the countries in which it operates.

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

The Bank's hedging strategies may not prevent losses.

The Bank may have difficulty in identifying and executing acquisitions, which could materially harm the Bank's results of operations.

Intense competition, especially in the Bank's home market of France, where it has the largest single concentration of its businesses, could adversely affect the Bank's net banking income and profitability.

The Bank may not achieve the expected benefits from the recent acquisition of Fortis operations in Belgium and Luxembourg, and the integration process may disrupt operations.

The Fortis transaction may increase the Bank’s exposure to asset quality problems and higher provisions.

Many of the difficult market conditions that the Bank faces have had an adverse impact on Fortis as well.

Litigation in connection with the Fortis transaction could have an adverse impact on the integration process and on the Bank.

The following risk factors relate to BNPP B.V. BNPP B.V. is not an operating company. BNPP B.V.’s sole business is the raising and borrowing of money by issuing securities or other obligations. BNPP B.V. has, and will have, no assets other than OTC contracts, cash and fees payable to it, or other assets acquired by it, in each case in connection with the issue of the Notes or entry into other obligations

relating to the Programme from time to time. The net proceeds from each issue of Notes issued by BNPP B.V. will become part of the general funds of BNPP B.V. BNPP B.V. may use such proceeds to maintain positions in certain hedging agreements. The ability of BNPP B.V. to meet its obligations under Notes issued by it will depend on the receipt by it of payments under the relevant hedging agreements. Consequently, BNPP B.V. is exposed to the ability of counterparties in respect of such hedging agreements to perform their obligations under such hedging agreements.

Risk Factors (Notes)

There are certain factors which are material for the purposes of assessing the market risks associated with the Notes issued under the Programme. These are set out under "*Risk Factors*" below and include exposure to one or more index, share, inflation index, commodity and/or commodity index, fund, the credit of one or more reference entity, ADR and/or GDR, custom index or foreign exchange rate (each an "**Underlying Reference**"), leverage, certain factors affecting the value and trading price of the Notes, certain considerations regarding hedging, specific risks in relation to Index Linked Notes (including Index Linked Notes linked to a property index), Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, Fund Linked Notes (including Fund Linked Notes linked to an Exchange Traded Fund), Credit Linked Notes, GDR/ADR Linked Notes, Custom Index Linked Notes and Foreign Exchange (FX) Rate Linked Notes (each as defined below), specific risks in relation to Notes linked to hedge funds or Notes linked to an Underlying Reference from an emerging or developing market, specific risks in relation to Dynamic Notes, limitations on the liquidity of Notes where denominations involve integral multiples, market disruption or failure to open of an exchange, redemption disruption, additional adjustment events, potential adjustment events or extraordinary events affecting shares or fund shares, extraordinary fund events, post-issuance information, change of law, effect of credit rating reduction, potential conflicts of interest, early redemption, interest rate changes, foreign exchange rate variation and possible illiquidity of Notes in the secondary market.

Legal and regulatory requirements

Notes may also be issued to third parties other than Dealers on the basis of enquiries made by such third parties to the Issuer, including Dealers appointed in relation to issues of Notes denominated in particular currencies in compliance with applicable regulations and guidelines from time to time. Each issue of Notes 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 and Sale*") including the following restrictions applicable at the date of this Document.

Programme Amount

€90,000,000,000 (or its equivalent in other currencies

calculated on the date that programme agreement in respect of the Notes is executed (the "**Agreement Date**") outstanding at any one time. As provided in the Programme Agreement the nominal amount of Notes outstanding under the Programme may be further increased.

Currencies

Notes may be denominated in any currency or currencies agreed between the relevant Issuer and the Dealer(s), subject to compliance with all applicable legal and/or regulatory restrictions. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Form of Notes

Notes will be issued in either bearer form or registered form outside the United States in transactions not subject to the registration requirements of the Securities Act pursuant to Regulation S under the Securities Act.

Fixed Rate Notes

Fixed rate interest will be payable on such day(s) as specified in the applicable Final Terms and on redemption.

Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.

Floating Rate Notes

Floating Rate Notes will bear interest calculated:

(a) 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 (i) 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 of the relevant Series) or (ii) 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

(b) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service; or

(c) on such other basis as may be agreed in writing between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

Floating Rate Notes 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 as specified prior to issue in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant

Dealer(s) for each issue of Floating Rate Notes. Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms.

Index Linked Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked Notes will be calculated by reference to one or more Indices as are agreed between the Issuer and the relevant Dealer(s) set out in the applicable Final Terms. Index Linked Notes may be linked to, *inter alia*, an equity index or a property index.

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

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

Share Linked Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Share Linked Notes will be calculated by reference to one or more shares as agreed between the Issuer and the relevant Dealer(s) set out in the applicable Final Terms. Share Linked Notes may also provide for redemption by physical delivery of the Entitlement as more fully set out under "Terms and Conditions of the Notes".

Share Linked Notes may be subject to early redemption or adjustment (including as to valuation and in certain circumstances Share substitutions) if certain corporate events (such as events affecting the value of a Share (including Share divisions or consolidations, extraordinary dividends and capital calls); de-listing of a Share; insolvency, merger or nationalisation of a Share issuer; or a tender offer or redenomination of a Share) occur, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements, or if insolvency filings are made with respect to a Share issuer.

Inflation Linked Notes

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Inflation Linked Notes will be calculated by reference to one or more inflation Indices as agreed between the relevant Issuer and the relevant Dealer(s) set out in the applicable Final Terms.

Commodity Linked Notes

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Commodity Linked Notes will be calculated by reference to one or more commodities and/or commodity indices as agreed between the relevant Issuer and the relevant

Dealer(s) set out in the applicable Final Terms. Commodity Linked Notes may also provide for redemption by physical delivery of the Entitlement as more fully set out under "Terms and Conditions of the Notes".

Commodity Linked Notes may be subject to adjustment (including as to valuations) if certain events occur with respect to a Commodity or Commodity Index (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 Commodity Index) or an index component disruption event.

Fund Linked Notes

Payments (whether in respect of principal or interest and/or whether at maturity or otherwise) in respect of Fund Linked Notes 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 relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. Fund Linked Notes may also provide for redemption by physical delivery of the Entitlement.

Fund Linked Notes may be subject to early redemption or adjustment (including as to valuation and fund substitutions) if certain corporate events (such as insolvency (or analogous event) occurring with respect to a fund; litigation against, or regulatory events occurring with respect to a fund; suspensions of fund subscriptions or redemptions; certain changes in net asset value of a fund; or modifications to the investment objectives or changes in the nature or administration of a fund) occur, if certain valuation or settlement disruption events occur with respect to a fund, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements.

Fund Linked Notes linked to Exchange Traded Funds may in addition be subject to early redemption or adjustment (including as to valuation and in certain circumstances fund share substitution) if certain corporate events (such as events affecting the value of a fund share (including fund share divisions or consolidation); de-listing of a fund share; insolvency, merger or nationalisation of a fund share issuer; or a tender offer or redenomination of a fund share) occur.

Credit Linked Notes

Notes with respect to which payment of principal and interest is linked to the credit of a specified entity or entities will be issued on such terms as may be agreed between the relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.

If Conditions to Settlement are satisfied each Note will be redeemed by the payment of (i) the Auction Settlement Amount if Auction Settlement applies as the applicable Settlement Method (unless a Fallback Settlement Event occurs, in which event the applicable Fallback Settlement Method shall apply) (ii) the Cash Settlement Amount, if

	Cash Settlement applies as the applicable Settlement Method, or (iii) by Delivery of the Deliverable Obligations specified in the Notice of Physical Settlement and payment of any Physical Settlement Adjustment Rounding Amount, if Physical Delivery applies as the applicable Settlement Method, as more fully set out under "Terms and Conditions of the Notes".
GDR/ADR Linked Notes	Payment (whether in respect of principal or interest and whether at maturity or otherwise) in respect of the GDR/ADR Linked Notes will be calculated by reference to one or more global depositary receipts ("**GDR**") and/or American depositary receipts ("**ADR**") as agreed between the relevant Issuer and the relevant Dealer(s) as set out in the applicable Final Terms. GDR/ADR Linked Notes may also provide for redemption by physical delivery of the Entitlement. GDR/ADR Linked Notes may be subject to early redemption or adjustment (including as to valuation and in certain circumstances substitutions) if certain corporate events (such as events affecting the value of a GDR and/or ADR (including GDR, ADR and/or Underlying Share divisions or consolidations, extraordinary dividends and capital calls); de-listing of a GDR, ADR and/or Underlying Share; insolvency, merger or nationalisation of an Underlying Share issuer; or a tender offer or redenomination of a GDR, ADR and/or Underlying Share) occur, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements, or if insolvency filings are made with respect to an Underlying Share issuer.
Custom Index Linked Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Custom Index Linked Notes will be calculated by reference to one or more Custom Indices as are agreed between the Issuer and the relevant Dealer(s) set out in the applicable Final Terms. Custom Index Linked Notes may be linked to an index established, calculated and/or sponsored by BNPP and/or its affiliates. Custom Index Linked Notes may be subject to early redemption or adjustment if a Custom Index is modified or cancelled and there is no successor custom index acceptable to the Calculation Agent, if the Custom Index's sponsor fails to calculate and announce the Custom Index, or certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements. If certain disruption events occur with respect to valuation of a Custom Index such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.
Foreign Exchange (FX) Rate Linked Notes	Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Foreign Exchange (FX) Rate Linked Notes will be calculated by reference to one or more foreign exchange rates as

	agreed between the relevant Issuer and the relevant Dealer(s) set out in the applicable Final Terms.
Hybrid Notes	Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Hybrid Notes 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.
Zero Coupon Notes	Zero Coupon Notes will not bear interest other than in the case of late payment.
Partly Paid Notes	The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of their investment.
Other Notes	Terms applicable to any other type of Note which the relevant Issuer and any Dealer or Dealers may agree from time to time to issue under the Programme will be set out in the applicable Final Terms.
Denominations of Notes	Notes will be issued in such denominations as may be specified in the applicable Final Terms save that: (i) the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency); and (ii) the minimum denomination of each Note will be such 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.
Taxation	In the case of the Notes issued by BNPP payments of interest and other revenues with respect to Notes (whether denominated in euro or in any other currency, if they constitute *obligations* under French law or *titres de créances négociables* under French tax law, or other debt instruments issued under French or foreign law and fiscally assimilated thereto are deemed to be made outside of France and benefit from the tax exemption at source on interest set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source. Otherwise the withholding tax exemption applies if all the conditions provided by Article 131 *quater* of the French *Code Général des Impôts* are met and in particular if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or a fixed base therein. *See "Terms and*

Conditions of the Notes - Taxation".

Investors should carefully review the *"Taxation"* section.

The tax regime applicable to Notes which do not constitute *obligations* under French law or *titres de créances négociables* under French tax law, or other debt instruments issued under French or foreign law and fiscally assimilated thereto will be set out in the relevant Final Terms.

In the case of Notes issued by BNPP B.V. and guaranteed by BNPP, if the applicable Final Terms specify that Condition 6(b)(i) is applicable, all payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 6(b)(i) of the "Terms and Conditions of the Notes –Taxation". In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor, will, save in certain limited circumstances provided in Condition 6(b)(i) of the Terms and Conditions, be required to pay additional amounts to cover the amounts so deducted.

In the case of Notes issued by BNPP B.V. and guaranteed by BNPP, if the applicable Final Terms specify that Condition 6(b)(ii) is applicable to the Notes, neither the Issuer or, 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.

Status of the Senior Notes issued by BNPP and all Notes issued by BNPP B.V.

Senior Notes issued by BNPP and all Notes issued by BNPP B.V. will constitute direct, unconditional, unsecured and un-subordinated obligations of the Issuer and will rank pari passu among themselves and at least pari passu with all its other direct, unconditional, unsecured and unsubordinated indebtedness (save for statutorily preferred exceptions).

Notes issued by BNPP B.V. will be guaranteed by BNPP.

The Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank pari passu with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

Status of the Subordinated Notes

BNPP may issue Subordinated Notes which comprise Dated Subordinated Notes and Undated Subordinated Notes, each as further described in "Terms and Conditions of the Notes" below.

Negative Pledge

The terms of the Senior Notes issued by BNPP will contain a negative pledge provision as described under General Condition 2(d) of the Terms and Conditions of the relevant

	Notes.
Rating	Notes issued by BNPP under the Programme may be rated or unrated. Details of the rating, if any, attributable to an issue of Notes will be set out in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing and admission to trading	Notes of a particular Series may be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or the EuroMTF Market of the Luxembourg Stock Exchange or on such other or additional stock exchanges as may be specified in the applicable Final Terms and references to listing shall be construed accordingly.
Governing Law	English law, other than General Condition 2(c) which, if applicable, will be governed by, and construed in accordance with, the laws of France.
Selling Restrictions	There are restrictions on the sale of Notes and the distribution of offering material — see "Subscription and Sale" below. United States: TEFRA D, Regulation S Category 2.

Risk Factors

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

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

Risks Relating to the Bank and its Operations

See the section entitled Risk Factors contained on pages 5 to 12 of the Information Statement which is incorporated by reference in this document.

Risk Factors Relating to BNPP B.V.

BNPP B.V. is not an operating company. BNPP B.V.'s sole business is the raising and borrowing of money by issuing securities or other obligations. BNPP B.V. has, and will have, no assets other than OTC contracts, cash and fees payable to it, or other assets acquired by it, in each case in connection with the issue of Notes or entry into other obligations relating to the Programme from time to time. The net proceeds from each issue of Notes issued by the Issuer will become part of the general funds of BNPP B.V. BNPP B.V. may use such proceeds to maintain positions in options or futures contracts or other hedging instruments ("**Hedging Agreements**"). The ability of BNPP B.V. to meet its obligations under Notes issued by it will depend on the receipt by it of payments under the relevant Hedging Agreements. Consequently, BNPP B.V. is exposed to the ability of counterparties in respect of such Hedging Agreements to perform their obligations under such Hedging Agreements.

Risk Factors Relating to the Notes

General

There are certain factors which are material for the purpose of assessing the risks associated with an investment in Notes issued under the Programme. Such factors will vary depending on the type of Notes issued, in particular in relation to Notes ("**Underlying Reference Linked Notes**"), the interest and/or redemption amount is linked to the value of one or more index, share, inflation index, commodity, unit, interest or share in a fund, the credit of one or more reference entity, GDR and/or ADR, custom index, foreign exchange rate or the combination of any of the foregoing or such other underlying or basis of reference (each an "**Underlying Reference**").

Claims Against the Underlying Reference

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

Notes are Unsecured Obligations

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

The trading market for the Notes may be volatile and may be adversely impacted by many events.

The market for debt securities is influenced by the economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialised countries and areas. There can be no assurance that events in France, the Netherlands, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes. It is not possible to predict the price at which Notes will trade in the secondary market. The relevant Issuer may, but is not obliged to, list Notes on a stock exchange. Also, to the extent Notes of a particular issue are redeemed in part, the number of Notes of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Notes of such issue. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes.

A credit rating reduction may result in a reduction in the trading value of the Notes.

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

Risk of Leveraged Exposure

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

Change of Law

The Conditions of the Notes are based on English law, or in the case of Condition 2(c), French Law, in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to an administrative practice or change to English law or French law, as applicable, after the date of this Base Prospectus.

Minimum Trading Amount

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

Potential Conflicts of Interest

Certain entities within the Group or its affiliates (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 Notes for

their proprietary accounts or for other accounts under their management. BNPP B.V., BNPP and their affiliates (including, if applicable, any Dealer) may also issue other derivative instruments in respect of the Underlying Reference. BNPP B.V., BNPP and their affiliates (including, if applicable, any Dealer) may also act as underwriter in connection with future offerings of shares or other securities relating to an issue of Notes or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies. In addition BNPP B.V., BNPP and their affiliates (including, if applicable, any Dealer) may act in a number of different capacities in relation to an underlying index or a custom index, including, but not limited to, issuer of the constituents of the index, index sponsor 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 Notes.

The Calculation Agent may be an affiliate of the Issuer or the Guarantor (if applicable) and consequently, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make, including whether a Market Disruption Event, a Settlement Disruption Event or Credit Event (each, as defined below) has occurred. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment. Furthermore, the Calculation Agent will not act as a fiduciary or as an advisor to the Noteholders in respect of its duties as Calculation Agent.

Post-issuance Information

Applicable Final Terms may specify that the relevant Issuer will not provide post-issuance information in relation to the Underlying Reference. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

The Notes may be redeemed prior to maturity.

In the event that the relevant Issuer would be required to pay additional amounts in respect of any Notes due to any withholding as provided in Condition 6 of the Terms and Conditions of the Notes, the relevant Issuer may and, in certain circumstances, shall (subject, in the case of Subordinated Notes, to the prior written consent of the *Secrétariat général de la commission bancaire* in France) redeem all of the Notes then outstanding in accordance with the Terms and Conditions of the Notes.

In the event that one or more Events of Default (as defined at General Condition 8) occur, the Notes may become immediately due and repayable at their Early Redemption Amount. In addition, in the case of an Index Linked Note, Share Linked Note, Commodity Linked Note, Fund Linked Note or a Custom Index Linked Note, if "Automatic Early Redemption Event" is specified as being applicable in the applicable Final Terms, on the occurrence of an Automatic Early Redemption Event the Notes will be automatically redeemed at their Automatic Early Redemption Amount. In the case of an Index Linked Note, Share Linked Note, Inflation Linked Note, Commodity Linked Note, GDR/ADR Linked Note or a Custom Index Linked Note, if an Additional Disruption Event occurs and "Delayed Redemption on the Occurrence of Additional Disruption Event" is not specified in the applicable Final Terms, the Issuer may redeem the Notes early.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the relevant Issuer. Such right of termination is often provided for notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the relevant Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, the Noteholder may not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

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

Prospective investors in the Notes should be aware that the purchase price of a Note does not necessarily reflect its inherent value. Any difference between a Note'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 Note. For further information prospective investors should refer to the party from whom they are purchasing the Notes. Prospective investors may also wish to seek an independent valuation of Notes prior to their purchase.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on an individual Noteholder in respect of any Notes may differ also in respect of Underlying Reference Linked Notes. BNPP and BNPP B.V. advise all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

Fixed Rate Notes may change in value due to changes in interest rates

Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes.

Noteholders will not be able to calculate in advance their rate of return on Floating Rate Notes.

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue both Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and vice versa).

Zero coupon Notes are subject to higher price fluctuations than non-discounted Notes.

Changes in market interest rates generally have a substantially stronger impact on the prices of zero coupon Notes than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon Notes can suffer higher price losses than other notes having the same maturity and credit rating.

Foreign currency Notes expose investors to foreign-exchange risk as well as to issuer risk.

Holders of Notes denominated in any currency other than their domestic currency are exposed to the risk of changing foreign exchange rates. Similarly, beneficiaries of payments under the Guarantee made in any currency other than their domestic currency are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the relevant Issuer or the type of Note being issued.

Holders of Subordinated Notes generally face a higher performance risk than holders of Senior Notes.

In the event of any insolvency or liquidation of BNPP, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, holders of Subordinated Notes generally face a higher performance risk than holders of senior Notes.

Notes where denominations involve integral multiples

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time (i) may not be able to transfer such Notes and (ii) may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and in each case would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

No Gross Up in respect of certain Series of Notes

In the case of Notes issued by BNPP B.V. and guaranteed by BNPP, if the applicable Final Terms specify that Condition 6(b)(ii) is applicable, the Issuer or, as applicable, the Guarantor is not obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any 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.

Risks Relating to the Structure of a Particular Issue of Notes

Risks relating to Underlying Reference Linked Notes

Investments in Underlying Reference Linked Notes 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 Notes and the suitability of such Notes in light of their particular circumstances and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. The Issuers believe that such Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional 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 Notes.

Underlying Reference Linked Notes are securities which do not provide for predetermined redemption amounts and/or interest payments but amounts payable (whether in respect of principal and/or interest) or deliverable will be dependent upon the performance of the Underlying Reference which themselves may contain substantial credit, interest rate, foreign exchange, correlation, time value, political and/or other risks.

An investment in Underlying Reference Linked Notes 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:

- 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;

- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the relevant Issuer at the same time;
- 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 may cease to be payable on such Note;
- any Note that is linked to more than one type of Underlying Reference, or on formulae that encompass the risks associated with more than one type of Underlying Reference, may carry levels of risk that are greater than Notes that are indexed to one type of Underlying Reference only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Underlying Reference Linked Notes; and
- a significant market disruption could mean that any Underlying Reference ceases to exist.

In addition, the value of Underlying Reference Linked Notes on the secondary market is subject to greater levels of risk than is the value of other Notes and the market price of such Notes may be very volatile or there may even be no (or very limited) secondary market at all. The secondary market, if any, for Underlying Reference Linked Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and/or the Guarantor (if applicable), the creditworthiness of any reference entity, the value of the applicable Underlying Reference, including the volatility of the Underlying Reference, the time remaining to the maturity of such Notes, the amount outstanding of such Notes 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 Issuers have no control.

Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Underlying Reference Linked Notes 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 Note.

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

BNPP, BNPP B.V. and their respective affiliates do not provide any advice with respect to any Underlying Reference nor make any representation as to its quality, credit or otherwise, and investors in the Notes must rely on their own sources of analysis or credit analysis with respect to any Underlying Reference.

The risks reflect the nature of such a Note as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires or is redeemed. The risk of the loss of some or all of the purchase price of an Underlying Reference Linked Note upon redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of such Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Reference. Assuming all other factors are held constant, the lower the value of an Underlying Reference Linked Note and the shorter the remaining term of any such Note to redemption, the greater the risk that holders of such Notes will lose all or part of their investment.

Risks relating to Index Linked Notes

Each Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the level of an index or indices ("**Index Linked Notes**").

Potential investors in any such Notes should be aware that depending on the terms of the Index 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. In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices 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. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If the amount of principal and/or interest payable 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 payable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date 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, 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 Notes.

Risks relating to Share Linked Notes

Each Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price of or changes in the price of shares or a basket of shares or, depending on the price of or change in the price of shares or the basket of shares, the relevant Issuer's obligation on redemption is to deliver a specified number of shares ("**Share Linked Notes**"). Accordingly an investment in Share Linked Redemption Notes may bear similar market risks to a direct equity investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that depending on the terms of the Share Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified shares may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that 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. In general, the earlier the change in the price of the share or shares, the greater the effect on yield.

If the amount of principal and/or interest payable are 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 on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date, the volatility of the share or shares, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant share or shares 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 may be traded.

Risks relating to Inflation Linked Notes

Each Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the level of an inflation index or indices ("**Inflation Linked Notes**").

Potential investors in any such Notes should be aware that depending on the terms of the Inflation 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. In addition, the movements in the level of the inflation index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the inflation index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an inflation index or result of a formula, the greater the effect on yield.

In certain circumstances following cessation of publication of the inflation index, the Calculation Agent may determine that there is no appropriate alternative inflation index, in which case the relevant Issuer may redeem the Notes. Such action may have an effect on the value of the Notes.

If the amount of principal and/or interest payable 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 inflation index or the indices on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the inflation index or indices. The level of the inflation index or indices may be affected by the economic, financial and political events in one or more jurisdictions.

Risks Relating to Commodity Linked Notes

Each Issuer may issue Notes where the amount of principal and/or interest payable 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 or where, depending on the price of or change in the price of a commodity or the basket of commodities, the relevant Issuer's obligation on redemption is to deliver a specified commodity ("**Commodity Linked Notes**"). Accordingly an investment in Commodity Linked Redemption Notes may bear similar market risks to a direct commodity investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that depending on the terms of the Commodity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified commodities or commodity indices may occur at a different time than expected and (iii) they 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 not correlate with changes in interest rates, currencies or other indices 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. In general, the earlier the change in the price of the commodity or commodity index, the greater the effect on yield.

If the amount of principal and/or interest payable are 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 payable will be magnified.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date and the volatility of the price of the commodity and/or commodity index. The price of commodities or level of a commodity index may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which the relevant commodities or components of the commodity indices may be traded.

Risks relating to Fund Linked Notes

Each Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of units or shares in a fund or funds (including exchange traded fund(s)) or, depending on the price or changes in the price of units or shares in such fund or funds, the relevant Issuer's obligation on redemption is to deliver a specified amount of Fund Shares ("**Fund Linked Notes**"). Accordingly an investment in Fund Linked Redemption Notes may bear similar market risks to a direct fund investment and potential investors should take advice accordingly.

Prospective investors in any such Notes should be aware that depending on the terms of the Fund Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified Fund Shares may occur at a different time than expected and (iii) they 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 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. In general, the earlier the change in the price or prices of the units, shares or interests in the fund or funds, the greater the effect on yield.

Prospective investors should also be aware that in the event of the occurrence of one or more Extraordinary Fund Events the relevant Issuer may 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 the Notes depending or whether such Extraordinary Fund Event is a Substitution Event or a Termination Event.

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 redemption date or termination date, such 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.

If the amount of principal and/or interest payable are 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 payable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date 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 before purchasing any Notes. None of the Issuer, the Guarantor (if applicable), any affiliate of the Issuer or Guarantor (if applicable) or the Calculation Agent make any representation as to the creditworthiness of any relevant fund or any such fund's administrative, custodian, investment manager or adviser.

Risks relating to Credit Linked Notes

The Issuers may issue Notes where the amount of principal and/or interest payable are dependent upon whether certain events ("**Credit Events**") have occurred in respect of one or more Reference Entity 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 relevant Issuer's obligation is to deliver certain specified assets.

Prospective investors in any such Notes should be aware that depending on the terms of the Credit Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal 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 Notes 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 Notes provide for physical delivery, the relevant Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the relevant Issuer and/or any affiliate has not received under the terms of any transaction entered into by the relevant Issuer and/or such affiliate to hedge the relevant Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes 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 Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and as a result, the amount of principal payable on redemption. Prospective Investors should review the Terms and Conditions of the Notes and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes.

The relevant Issuer's obligations in respect of Credit Linked Notes are irrespective of the existence or amount of the relevant Issuer's and/or any affiliates' credit exposure to a reference entity and the

Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Additional Risk Factors for Credit-Linked Notes

Credit risk on Reference Entities

The holders of Credit linked Notes will be exposed to the credit of one or more Reference Entities, which exposure shall be, unless otherwise stated in the applicable Final Terms, to the full extent of their investment in such Notes. Upon the occurrence of any of the default events comprising a Credit Event with respect to any Reference Entity, the Noteholders 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 Note 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. Noteholders should also note that a Credit Event may occur even if the obligations of a Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

Where cash settlement or auction settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Notes in a reduced principal amount or at zero, and, (if applicable) in a reduction of the amount on which interest is calculated. Where physical settlement applies, the occurrence of a Credit Event may result in the redemption of the Notes 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 Notes are accordingly exposed, as to both principal and (if applicable) interest, to the credit risk of the Reference Entity. The maximum loss to an investor in the Notes is 100 per cent. of their initial principal investment, together with (if applicable) any interest amounts.

Credit observation period

Holders of the Notes may suffer a loss of some or all of the principal amount of the Notes in respect of one or more Credit Events that occur prior to the Trade Date or the Issue Date. Neither the Calculation Agent or the Issuer nor any of their respective affiliates has any responsibility to inform any Noteholder, 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 in "Nth-to-default" credit-linked Notes

Where the Notes are Nth-to-Default CLNs, the Notes will be subject to redemption in full as described above upon the occurrence of a Credit Event in relation to the nth Reference Entity.

Concentration of credit risk

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

Issuer and Calculation Agent rights

The Issuer will exercise its rights under the terms of the Notes, 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 its own interests and those of its affiliates, and not in the interests of investors in the Notes. 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 for valuation or delivery, as applicable, may result in an increased credit loss for holders of the Notes.

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 Noteholders. In performing its duties pursuant to the Notes

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

Actions of Reference Entities

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

Deferral of payments

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

Valuation

If the Notes 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 protocol, such losses may be greater than the losses which would have been determined in the absence of such protocol. If the Calculation Agent or any affiliate thereof participates in any auction for the purposes of such a protocol, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

"Cheapest-to-Deliver" risk

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

No information

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

Compounding of risks

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

No need for loss

Where the Notes are Single Reference Entity CLNs, Nth-to-Default CLNs or Linear Basket CLNs, credit losses will be calculated for the purposes of the Notes irrespective of whether the Issuer or its affiliates has suffered an actual loss in relation to the Reference Entity or any obligations thereof. The Issuer is not 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 Notes do not constitute an acquisition by the holders of the Notes of any interest in any obligation of a Reference Entity. The Issuer does not grant any security interest over any such obligation.

Absence of benchmarks for valuation

In determining the value of the Notes, 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 Notes may be adversely affected.

Historical performance may not predict future performance

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

Limited provision of information about the Reference Entities

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

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

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

Credit Derivatives Determinations Committee and Market Auctions

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

Noteholders may have no role in the composition of the Credit Derivatives Determinations Committee. Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committee and the Noteholders may have no role in establishing such criteria. In addition, the composition of the 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 Noteholders may have no control over the process for selecting institutions to participate on the Credit Derivatives Determinations Committee and, to the extent provided for in the Notes, will be subject to the determinations made by such selected institutions in accordance with the Rules.

Noteholders may have no recourse against either the institutions serving on the Credit Derivatives Determinations Committee or the external reviewers. Institutions serving on the 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 the Credit Derivatives Determinations Committee do not owe any duty to the Noteholders and the Noteholders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

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

Noteholders are responsible for obtaining information relating to deliberations of the 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, the Calculation Agent nor any of their respective affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in respect of the Notes. Failure by the Noteholders to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the Notes and Noteholders are solely responsible for obtaining any such information.

Investors should read 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 March 12, 2009), as they exist as of the date of this Prospectus, and reach their own views prior to making any investment decisions. Investors should however note that the Rules may 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.

If a Credit Derivatives Determinations Committee publishes auction settlement terms in respect of a Reference Entity (and the relevant seniority of the Reference Obligation), then, if auction settlement applies to the Notes, the Calculation Agent will determine the Final Price of the Reference Obligation in accordance with such auction settlement terms and may amend any other terms of the Swap Agreement to be consistent with the provisions of such auction settlement terms. The losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the auction. 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 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. If the Calculation Agent or the Issuer or any of their respective affiliate thereof participates in any auction, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

Modification of the terms of the Notes

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 Notes to the extent necessary to preserve any consistency between the Notes and the hedging transaction. If the Calculation Agent modifies the terms of the Notes, it will do so without regard to the interests of the holders of the Notes and any such modification may be prejudicial to the interests of the holder of the Notes.

Risks relating to GDR/ADR Linked Notes

Payment in respect of GDR/ADR Linked Notes will be calculated by reference to one or more global depositary receipts ("**GDRs**") and/or American depositary receipts ("**ADRs**") as set out in the

applicable Final Terms. GDR/ADR Linked Notes may also provide for settlement by physical delivery of the Entitlement.

GDR/ADR Linked Notes may be subject to cancellation or early redemption or adjustment (including as to valuation and in certain circumstances GDR and/or ADR substitutions) if certain corporate events (such as events affecting the value of a GDR and/or ADR (including GDR, ADR and/or Underlying Share divisions or consolidations, extraordinary dividends and capital calls); de-listing of a GDR, ADR and/or Underlying Share; insolvency, merger or nationalisation of an Underlying Share issuer; or a tender offer or redenomination of a GDR, ADR and/or Underlying Share) occur, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements, or if insolvency filings are made with respect to an Underlying Share issuer.

Risks relating to Custom Index Linked Notes

Each Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the level of a custom index or custom indices ("**Custom Index Linked Notes**").

An investment in Custom Index Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Custom Index Linked Notes, Holders will receive an amount (if any) determined by reference to the value of the underlying custom index/custom indices. Such custom index may be an index established and calculated by the Issuer or its affiliates or another entity which may not be widely published or available. The custom index may reference, *inter alia*, equities, bonds or other securities, commodities or it may be a property index referencing certain property price data which will be subject to market price fluctuations, or reference a number of different assets or indices. Custom Index Linked Interest Notes pay interest calculated by reference the value of the underlying custom index/custom indices.

Custom Index Linked Notes are linked to a proprietary index which may be sponsored and/or calculated by BNP Paribas or one of its affiliates. Pursuant to the operational rules of the Custom Index, the Custom Index is scheduled to be calculated on each weekday. In the event that one of the levels of a component included in the Custom Index is not available for any reason on any weekday, then the Calculation Agent of the Custom Index may, but is not obliged to, calculate the level of the Custom Index on that day by taking a value for the affected index component from the first preceding day on which a level for such affected index component was available.

For the avoidance of doubt, the Issuer and/or its affiliates may not be able to trade on and hedge its obligations in respect of the Custom Index under the Notes notwithstanding the calculation of the level of the Custom Index. In the event that any Settlement Price Date or Averaging Date is a Disrupted Day for the Custom Index, such Settlement Price Date or Averaging Date shall be the first succeeding day on which the Issuer or relevant affiliate is able to trade on and hedge it obligations in respect of the Custom Index, subject to a specified maximum days of disruption, as more fully set out in the Terms and Conditions of the Notes.

Risks relating to Foreign Exchange (FX) Rate Linked Notes

Each Issuer may issue Notes where the amount of principal and/or interest payable 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 Notes are denominated ("**Foreign Exchange (FX) Rate Notes**"). Accordingly an investment in Foreign Exchange (FX) Rate Redemption Notes may bear similar market risks to a direct foreign exchange investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the Foreign Exchange (FX) Rate 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 a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that 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. In general, the earlier the change in currency exchange rates, the greater the effect on yield.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic 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 Note. Fluctuations in exchange rates will affect the value of Foreign Exchange (FX) Rate Notes.

If the amount of principal and/or interest payable are 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 currency exchange rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable is dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption date 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.

Additional Factors relating to certain Underlying References:

Adjustment to indices

Where the Underlying Reference is an index (including a commodity index) if an index adjustment event (as described in the Terms and Conditions of the Notes) occurs the relevant Issuer may require the Calculation Agent to make such adjustments as it determines appropriate to the terms of the Notes or redeem the Notes. Such action may have an adverse effect on the value and liquidity of the affected Underlying Reference Linked Notes.

Additional Factors relating to Share Linked Notes.

In the case of Share Linked Notes following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for 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. Such adjustment may have an adverse effect on the value and liquidity of the affected Share Linked Notes.

If an Extraordinary Event occurs in relation to a Share, the relevant Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii), (iv) (if applicable), (v) or, in the case of Notes relating to a Basket of Shares only, (vi) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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 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 Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of sub-paragraph (vi) below; or

(ii) in the case of Share Linked Notes relating to a Basket of Shares, redeem the Notes in part by giving notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed in part the portion (the "**Redeemed Amount**") of each Note representing the affected Share(s) shall be redeemed and the Issuer will:

(a) pay to each Noteholder in respect of each Note held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and

(b) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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 to account for such redemption in part. For the avoidance of doubt the remaining part of each Note after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12;

(iii) unless Delayed Redemption on the Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with General Condition 12, redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12;

(iv) if Delayed Redemption on the Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, its nominal amount;

(v) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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 its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent

would have given rise to an adjustment by the Options Exchange if such options were so traded; or

(vi) 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 Notes, 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 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 its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \; x \; (B \; / \; C)$$

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 its sole and absolute discretion and specified in the notice referred below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the sole and absolute discretion of the Calculation Agent:

(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:

(1) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and

(2) 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.

Market Disruption Events or Failure to Open of an Exchange

If an issue of Underlying Reference Linked Notes includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on the Strike Date, a Valuation Date, Observation Date or an 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, Valuation Date, Observation Date or Averaging Date or any alternative provisions for valuation provided in any such Notes may have an adverse effect on the value and liquidity of such Notes. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes such that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes 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 Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the date of redemption of the Notes.

Certain Considerations Associated with Notes linked to Funds

Where the Issuer issues Fund Linked Notes linked to one or more Funds, including Hedge Funds, the relevant Notes reflect the performance of such fund(s).

Funds may trade and invest in a broad range of investments such as debt and equity securities, commodities or commodity indices and foreign exchange and may enter into derivative transactions, including, without limitation, futures and options. 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.

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 Notes will fall, and may in certain circumstances be zero.

Certain Considerations Associated with Notes Linked to Emerging Markets

The Issuers may issue Notes where the amount payable on redemption or the interest payable is linked to Underlying References which consist of (i) securities, funds or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such Notes, 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 Notes 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 Notes

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

Considering the above aspects, Dynamic Notes 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 Notes only after having completely understood and evaluated either themselves or with a financial adviser the nature and the risk inherent in the Dynamic Notes.

Limited Exposure to Underlying Reference

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

The Amount Payable on Redemption may be Significantly Less than the Value of an Investment in the Notes

Each Noteholder may receive an amount on redemption and/or physical delivery of securities together with cash for roundings in respect of any Underlying Reference Linked Notes. The amount payable on redemption and/or the aggregate value of securities physically delivered and cash may be significantly less than the value of the Noteholder's investment in such Notes. In particular, in the case of any such Notes exposed to the performance of a basket of Underlying References, the securities so delivered may relate to or, the cash redemption amount may be calculated by reference to, the worst performing Underlying Reference or any other formula specified in the applicable Final Terms.

Physical Delivery Notes

In the case of Notes which are redeemable by delivery of assets (other than Credit Linked Notes), if a Settlement Disruption Event occurs or exists on the due date for redemption of the Notes, 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 lieu of delivering the Entitlement.

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

DOCUMENTS INCORPORATED BY REFERENCE

This Document should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Document and that have been filed with the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and shall be incorporated in, and form part of, this Document:

(a) the terms and conditions of the Notes contained in the debt issuance prospectus of BNPP dated 30 June 2005 (the "**2005 EMTN Conditions**"), the terms and conditions of the Notes contained in the base prospectus of BNPP dated 21 June 2006 (the "**2006 EMTN Conditions**"), the terms and conditions of the Notes contained in the base prospectus of BNPP dated 30 May 2007 (the "**2007 EMTN Conditions**") and the terms and conditions of the Notes contained in the base prospectus of BNPP and BNPP B.V. dated 30 May 2008 (the "**2008 EMTN Conditions**", and together with the 2005 EMTN Conditions, the 2006 EMTN Conditions, the 2007 EMTN Conditions, the "**EMTN Previous Conditions**");

(b) an information statement relating to BNPP, dated 28 May 2009 (the "**Information Statement**");

(c) the audited consolidated financial statements of BNP Paribas as at, and for the years ended, 31 December 2007 and 2008 (the "**BNPP 2007 Financial Statements**" and the "**BNPP 2008 Financial Statements**" respectively, together with the respective statutory auditors' reports thereon), as contained, respectively, in BNPP's *document de référence* in English for 2007 (the "**2007 Registration Document**") and BNPP's *document de référence* in English for 2008 (the "**2008 Registration Document**"); and

(d) the audited annual non-consolidated financial statements of BNPP B.V. as at, and for the two years ended, 31 December 2007 and 2008 (the "**BNPP B.V. 2007 Financial Statements**" and the "**BNPP B.V. 2008 Financial Statements**" respectively, such financial statements, and the respective auditors' reports thereon), being available as part of the respective statutory, annual report for 2007 (the "**2007 BNPP B.V. Annual Report**") and for 2008 (the "**2008 BNPP B.V. Annual Report**"),

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Document to the extent that such statement is inconsistent with a statement contained in this Document.

The information incorporated by reference above is available as follows:

Information Incorporated by Reference	Reference
BNP PARIBAS *EMTN Previous Conditions*	
2005 BNPP EMTN Conditions	Pages 28 to 56
2006 BNPP EMTN Conditions	Pages 37 to 109
2007 BNPP EMTN Conditions	Pages 37 to 116
2008 BNPP EMTN Conditions	Pages 43 -to 179
Information Statement	
Risk Factors	Pages 5 to 12 of the Information Statement
Selected Financial Data	Pages 13 to 15 of the Information Statement
Recent Developments including the Issuer's 1st quarter results for the 3 month period ended 31 March 2008	Pages 62 to 80 of the Information Statement
Business of the Group	Pages 81 to 99 of the Information Statement
Risk Management	Pages 100 to 142 of the Information Statement

Information Incorporated by Reference	Reference
Governmental Supervision and Regulation of BNP Paribas in France	Pages 143 to 145 of the Information Statement
Capital Adequacy of the BNP Paribas Group	Pages 146 to 150 of the Information Statement
Management of the Bank	Pages 151 to 156 of the Information Statement
Independent Statutory Auditors	Page 157 of the Information Statement
BNPP 2007 Financial Statements	
Consolidated Profit & Loss Account for the year ended 31 December 2007	Page 110 of the 2007 Registration Document
Consolidated Balance Sheet at 31 December 2007	Page 111 of the 2007 Registration Document
Consolidated Statement of changes in shareholders' equity between 1 January 2006 and 31 December 2007	Pages 112 to 113 of the 2007 Registration Document
Consolidated Statement of Cashflows for the year ended 31 December 2007	Page 114 of the 2007 Registration Document
Notes to the financial statements prepared in accordance with IFRS as adopted by the European Union	Pages 115 to 220 of the 2007 Registration Document
Statutory auditors' report on the consolidated financial statements	Pages 221 to 222 of the 2007 Registration Document
BNPP 2008 Financial Statements	
Consolidated Profit & Loss account for the year ended 31 December 2008	Page 100 of the 2008 Registration Document
Consolidated Balance sheet at 31 December 2008	Page 101 of the 2008 Registration Document
Consolidated Statement of changes in shareholders' equity between 1 January 2007 and 31 December 2008	Pages 102 to 103 of the 2008 Registration Document
Consolidated Statement of Cashflows for the year ended 31 December 2008	Page 104 of the 2008 Registration Document
Notes to the financial statements prepared in accordance with IFRS as adopted by the European Union	Pages 105 to 243 of the 2008 Registration Document
Statutory auditor’s report on the consolidated financial statements	Pages 244 to 246 of the 2008 Registration Document

BNP PARIBAS ARBITRAGE ISSUANCE B.V.	
BNPP B.V. 2007 Financial Statements	
Balance Sheet	Page 5 of the 2007 BNPP B.V. Annual Report
Profit & Loss Account	Page 6 of the 2007 BNPP B.V. Annual Report
Statement of Cashflows	Page 7 of the 2007 BNPP B.V. Annual Report

BNP PARIBAS ARBITRAGE ISSUANCE B.V.	
Appendices/Notes	Pages 8 to 16 of the 2007 BNPP B.V. Annual Report
Statutory auditor's report on the financial Statementsr	Pages 18 to 19 of the 2007 BNPP B.V. Annual Report
BNPP B.V. 2008 Financial Statements	
Balance Sheet	Page 5 of the 2008 BNPP B.V. Annual Report
Profit & Loss Account	Page 6 of the 2008 BNPP B.V. Annual Report
Cashflow Statement	Page 7 of the 2008 BNPP B.V. Annual Report
Notes to the Financial Statement	Pages 8 to 14 of the 2008 BNPP B.V. Annual Report
Statutory auditor's report on the financial Statements	Pages 16 to 17 of the 2008 BNPP B.V. Annual Report

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

Each Issuer will provide, free of charge, to each person to whom a copy of this Document has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the relevant Issuer at its principal office set out at the end of this Document. In addition, copies of any documents incorporated by reference will be made available free of charge from the specified office in Luxembourg of BNP Paribas Securities Services, Luxembourg Branch, and will, along with this Base Prospectus, be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).

BNPP B.V. and BNPP have given an undertaking in connection with the listing of the Notes on the Official List of the Luxembourg Stock Exchange to the effect that, so long as any Note remains outstanding and listed on such Exchange, in the event of any adverse change in the condition of the relevant Issuer or, where the relevant Issuer is BNPP B.V., the Guarantor, which is material in the context of the Programme and which is not reflected in this Document, it will prepare a further supplement to this Document or publish a new base prospectus for use in connection with any subsequent issue of Notes to be listed on the Official List of the Luxembourg Stock Exchange. If the terms of the Programme are modified or amended in a manner which would make this Document, as supplemented, inaccurate or misleading, a new base prospectus will be prepared.

In relation to any issue of Notes, the applicable Final Terms should be read in conjunction with this Document.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is qualified by the Summary and the remainder of this Document and, in relation to the terms and conditions of any particular Series (as defined below in "Terms and Conditions of the Notes") of Notes, the applicable Final Terms. Subject as provided in the Terms and Conditions of the Notes, any of the following (including, without limitation, the type of Notes which may be issued pursuant to the Programme) may be varied or supplemented as agreed between the Issuer, the relevant Dealer(s) and the Principal Paying Agent (if applicable). Words and expressions defined in "Form of the Notes" and the "Terms and Conditions of the Notes" shall have the same meaning in this overview:

Issuers	BNP Paribas ("**BNPP**" or the "**Bank**" and, together with its consolidated subsidiaries, the "**Group**") BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**")
Guarantor (in the case of Notes issued by BNPP B.V.)	BNPP
Arranger	BNP Paribas
Dealers (in the case of Notes issued by BNPP)	Barclays Bank PLC BNP Paribas UK Limited Citigroup Global Markets Limited Credit Suisse Securities (Europe) Limited Goldman Sachs International J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc UBS Limited
Dealer (in the case of Notes issued by BNPP B.V.)	BNP Paribas Arbitrage S.N.C.
Legal and regulatory requirements	Notes may also be issued to third parties other than Dealers on the basis of enquiries made by such third parties to the Issuer, including Dealers appointed in relation to issues of Notes denominated in particular currencies in compliance with applicable regulations and guidelines from time to time. Each issue of Notes 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 and Sale*" below) including the following restrictions applicable at the date of this Document.
Distribution	Notes may be distributed on a syndicated or a non-syndicated basis.
Principal Paying Agent	BNP Paribas Securities Services, Luxembourg Branch
Registrar	BNP Paribas Securities Services, Luxembourg Branch

Programme Amount	€90,000,000,000 (or its equivalent in other currencies calculated on the Agreement Date) outstanding at any one time. As provided in the Programme Agreement the nominal amount of Notes outstanding under the Programme may be further increased.
Description	Programme for the Issuance of Debt Instruments.
Currencies	Notes may be denominated in any currency or currencies agreed between the Issuer and the Dealer(s), subject to compliance with all applicable legal and/or regulatory restrictions. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Redenomination	The applicable Final Terms may provide that certain Notes may be redenominated in euro.
Maturities	Any maturity in excess of one day (except in the case of Subordinated Notes when the minimum maturity will be five years or, in any case, such other minimum maturity as may be required from time to time by the relevant monetary authority). No maximum maturity is contemplated and Notes may be issued with no specified maturity dates provided, however, that Notes will only be issued in compliance with all applicable legal and/or regulatory requirements.
Issue Price	Notes may be issued at par or at a discount to, or premium over, par and either on a fully paid or partly paid basis.
Form of Notes	Notes will be issued in either bearer form or registered form outside the United States in transactions not subject to the registration requirements of the Securities Act pursuant to Regulation S under the Securities Act. Bearer Notes will initially be represented by one or more temporary Bearer Global Notes which: (a) if the Global Notes are intended to be issued in a new global note ("**NGN**") form, as stated in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear and Clearstream, Luxembourg; and (b) if the Global Notes are not intended to be issued in NGN form, will be deposited with a depositary or, as the case may be, common depositary for Euroclear and Clearstream, Luxembourg or any other agreed clearing system (including Euroclear France (as defined herein)) and which will be exchanged for one or more permanent Bearer Global Notes or for definitive Bearer Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period (if any) as is specified in the applicable Final Terms) in each case not earlier than the Exchange Date (as defined in "*Form of the Notes*" below) upon certification of non-U.S. beneficial ownership. A permanent Bearer Global Note may be exchanged in whole

(but not in part) for definitive Bearer Notes only in the limited circumstances described in "*Form of the Notes*" below except where the applicable Final Terms and permanent Bearer Global Note specify that definitive Bearer Notes shall be available upon request (notwithstanding the absence of such limited circumstances). Interests in a temporary or permanent Bearer Global Note will be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, or any other agreed clearing system (including Euroclear France (as defined herein)).

One or more Registered Global Notes which will be delivered to a common depositary for Euroclear and Clearstream, Luxembourg for, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Registered Notes will not be exchangeable for Bearer Notes and vice versa. A Registered Global Note will be exchangeable for definitive Registered Notes in certain limited circumstances specified in "*Form of the Notes*" below.

Fixed Rate Notes

Fixed rate interest will be payable on such day(s) as specified in the applicable Final Terms and on redemption.

Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.

Floating Rate Notes

Floating Rate Notes will bear interest calculated:

(a) 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 (i) 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 of the relevant Series) or (ii) 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

(b) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service; or

(c) on such other basis as may be agreed in writing between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

Floating Rate Notes 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 as specified prior to issue in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes. Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms.

Index Linked Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked Notes will be calculated by reference to one or more Indices as are agreed between the Issuer and the relevant Dealer(s) set out in the applicable Final Terms. Index Linked Notes may be linked to, *inter alia*, an equity index or a property index.

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

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

Share Linked Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Share Linked Notes will be calculated by reference to one or more shares as agreed between the Issuer and the relevant Dealer(s) set out in the applicable Final Terms. Share Linked Notes may also provide for redemption by physical delivery of the Entitlement as more fully set out under "*Terms and Conditions of the Notes*".

Share Linked Notes may be subject to early redemption or adjustment (including as to valuation and in certain circumstances Share substitutions) if certain corporate events (such as events affecting the value of a Share (including Share divisions or consolidations, extraordinary dividends and capital calls); de-listing of a Share; insolvency, merger or nationalisation of a Share issuer; or a tender offer or redenomination of a Share) occur, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements, or if insolvency filings are made with respect to a Share issuer.

Inflation Linked Notes

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Inflation Linked Notes will be calculated by reference to one or more inflation Indices as agreed between the relevant Issuer and the relevant Dealer(s) set out in the applicable Final Terms.

Commodity Linked Notes

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Commodity Linked Notes will be calculated by reference to

one or more commodities and/or commodity indices as agreed between the relevant Issuer and the relevant Dealer(s) set out in the applicable Final Terms. Commodity Linked Notes may also provide for redemption by physical delivery of the Entitlement as more fully set out under "*Terms and Conditions of the Notes*".

Commodity Linked Notes may be subject to adjustment (including as to valuations) if certain events occur with respect to a Commodity or Commodity Index (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 Commodity Index) or an index component disruption event.

Fund Linked Notes

Payments (whether in respect of principal or interest and/or whether at maturity or otherwise) in respect of Fund Linked Notes 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 relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. Fund Linked Notes may also provide for redemption by physical delivery of the Entitlement.

Fund Linked Notes may be subject to early redemption or adjustment (including as to valuation and fund substitutions) if certain corporate events (such as insolvency (or analogous event) occurring with respect to a fund; litigation against, or regulatory events occurring with respect to a fund; suspensions of fund subscriptions or redemptions; certain changes in net asset value of a fund; or modifications to the investment objectives or changes in the nature or administration of a fund) occur, if certain valuation or settlement disruption events occur with respect to a fund, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements.

Fund Linked Notes linked to Exchange Traded Funds may in addition be subject to early redemption or adjustment (including as to valuation and in certain circumstances fund share substitution) if certain corporate events (such as events affecting the value of a fund share (including fund share divisions or consolidation); de-listing of a fund share; insolvency, merger or nationalisation of a fund share issuer; or a tender offer or redenomination of a fund share) occur.

Credit Linked Notes

Notes with respect to which payment of principal and interest is linked to the credit of a specified entity or entities will be issued on such terms as may be agreed between the relevant 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 Note will be redeemed by the payment of the Credit Event Redemption 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, as more fully set out under "*Terms and Conditions of the Notes*".
GDR/ADR Linked Notes	Payment (whether in respect of principal or interest and whether at maturity or otherwise) in respect of the GDR/ADR Linked Notes will be calculated by reference to one or more global depositary receipts ("**GDR**") and/or American depositary receipts ("**ADR**") as agreed between the relevant Issuer and the relevant Dealer(s) as set out in the applicable Final Terms. GDR/ADR Linked Notes may also provide for redemption by physical delivery of the Entitlement. GDR/ADR Linked Notes may be subject to early redemption or adjustment (including as to valuation and in certain circumstances substitutions) if certain corporate events (such as events affecting the value of a GDR and/or ADR (including GDR, ADR and/or Underlying Share divisions or consolidations, extraordinary dividends and capital calls); de-listing of a GDR, ADR and/or Underlying Share; insolvency, merger or nationalisation of an Underlying Share issuer; or a tender offer or redenomination of a GDR, ADR and/or Underlying Share) occur, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements, or if insolvency filings are made with respect to an Underlying Share issuer.
Custom Index Linked Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Custom Index Linked Notes will be calculated by reference to one or more Custom Indices as are agreed between the Issuer and the relevant Dealer(s) set out in the applicable Final Terms. Custom Index Linked Notes may be linked to a Custom Index or Custom Indices established, calculated and/or sponsored by BNPP and/or its affiliates. Custom Index Linked Notes may be subject to early redemption or adjustment if a Custom Index is modified or cancelled and there is no successor custom index acceptable to the Calculation Agent, if the Custom Index's sponsor fails to calculate and announce the Custom Index, or certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any of its affiliates' hedging arrangements. If certain disruption events occur with respect to valuation of a Custom Index such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.
Foreign Exchange (FX) Rate Linked Notes	Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Foreign Exchange (FX) Rate Linked Notes will be calculated by reference to one or more foreign exchange rates as agreed between the relevant Issuer and the relevant Dealer(s) set out in the applicable Final Terms.

Hybrid Notes	Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Hybrid Notes 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.
Zero Coupon Notes	Zero Coupon Notes will not bear interest other than in the case of late payment.
Other Notes	Terms applicable to any other type of Note which the Issuer and any Dealer or Dealers may agree from time to time to issue under the Programme will be set out in the applicable Final Terms.
Redemption and Purchase	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders 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 other terms as may be agreed between the relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. Following an Event of Default, no part of Subordinated Notes may be redeemed prior to five years (or in any case, such other minimum period as may be required from time to time by the relevant monetary authority) from the relevant Issue Date and no part of any Notes denominated in any other Specified Currency may be redeemed prior to such other minimum time as may be required by the relevant monetary authority. Any early redemption of Subordinated Notes under Condition 5(b) or (c) of the terms and conditions of the relevant Notes will be subject to the prior approval of the *Secrétariat général de la commission bancaire* in France. Any early redemption or purchase (in the open market) by BNPP of more than 10 per cent. of the nominal amount of any issue of Subordinated Notes (either individually or when aggregated with any previous redemption or purchase) will be subject to the prior approval of the *Secrétariat général de la commission bancaire* in France. In the case of Subordinated Notes, no redemption of the Notes at the option of the Noteholders is permitted.
Denominations of Notes	Notes will be issued in such denominations as may be specified in the applicable Final Terms save that: (a) the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require that publication of a prospectus will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency); and

(b) the minimum denomination of each Note will be such 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.

Taxation

In the case of Notes issued by BNPP, payments of interest and other revenues with respect to Notes (whether denominated in euro or in any other currency, if they constitute *obligations* under French law or *titres de créances négociables* under French tax law, or other debt instruments issued under French or foreign law and fiscally assimilated thereto are deemed to be subscribed outside of France and benefit from the tax exemption at source on interest set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source. Otherwise the withholding tax exemption applies if all the conditions provided by Article 131 *quater* of the French *Code Général des Impôts* are met and in particular if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or a fixed base therein. *See "Terms and Conditions of the Notes - Taxation"*.

Investors should carefully review the *"Taxation"* section.

The tax regime applicable to Notes which do not constitute *obligations* under French law or *titres de créances négociables* under French tax law, or other debt instruments issued under French or foreign law and fiscally assimilated thereto will be set out in the relevant Final Terms.

In the case of Notes issued by BNPP B.V. and guaranteed by BNPP, if the applicable Final Terms specify that Condition 6(b)(i) is applicable to the Notes, all payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 6(b)(i) of the *"Terms and Conditions of the Notes –Taxation"*. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor, will, save in certain limited circumstances provided in Condition 6(b)(i) of the Terms and Conditions, be required to pay additional amounts to cover the amounts so deducted.

In the case of Notes issued by BNPP B.V. and guaranteed by BNPP, if the applicable Final Terms specify that Condition 6(b)(ii) is applicable to the Notes, neither the Issuer or, 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.

Status of the Senior Notes issued by BNPP and all Notes issued by BNPP B.V.

Senior Notes issued by BNPP and all Notes issued by BNPP B.V. will constitute direct, unconditional, unsecured and un-subordinated obligations of the relevant Issuer and will rank *pari passu* among themselves and at least *pari passu* with all its other direct, unconditional, unsecured and unsubordinated indebtedness (save for statutorily preferred exceptions).

Status of Guarantee

Notes issued by BNPP B.V. will be unconditionally and irrevocably guaranteed by BNPP pursuant to the Deed of Guarantee dated 29 May 2009. The Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

Status of the Subordinated Notes

BNPP may issue Subordinated Notes which comprise Dated Subordinated Notes and Undated Subordinated Notes:

Dated Subordinated Notes will constitute direct, unconditional, unsecured and subordinated obligations of BNPP and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of BNPP and will have a fixed maturity date. Subject to applicable law, in the event of the voluntary liquidation of BNPP, bankruptcy proceedings, or any other similar proceedings affecting BNPP, the rights of the Noteholders and (if so specified in the applicable Final Terms) the Couponholders to payment under the Dated Subordinated Notes and (if applicable) relative Coupons will be subordinated to the full payment of the unsubordinated creditors (including depositors) of BNPP and, subject to such payment in full, such Noteholders and (if so specified in the applicable Final Terms) Couponholders will be paid in priority to *prêts participatifs* granted to BNPP and *titres participatifs* issued by BNPP. The relative Coupons will not be subordinated (unless otherwise specified in the applicable Final Terms).

Undated Subordinated Notes will constitute direct, unconditional, unsecured and subordinated obligations of BNPP and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of BNPP and will have no fixed maturity date. Payment of interest in respect of Undated Subordinated Notes may be deferred in accordance with the provisions of Condition 3(g). Subject to applicable law, in the event of the voluntary liquidation of BNPP, bankruptcy proceedings, or any other similar proceedings affecting BNPP, the rights of Noteholders and Couponholders to payment under the Undated Subordinated Notes and relative Coupons will be subordinated to the full payment of the unsubordinated

	creditors (including depositors) of BNPP and subject to such payment in full, such Noteholders and Couponholders will be paid in priority to *prêts participatifs* granted to BNPP and *titres participatifs* issued by BNPP. The proceeds of issues of Undated Subordinated Notes may be used for offsetting losses of BNPP and, thereafter, to allow it to continue its activities in accordance with French banking regulations. The proceeds of such issues will be classed amongst the funds of BNPP in accordance with Article 4(c) of *Règlement* No. 90-02 of the *Comité de la règlementation bancaire et financière*. This provision does not in any way affect any French law applicable to accounting principles relating to allocation of losses nor the duties of the shareholders and does not in any way affect the rights of the Noteholders and Couponholders to receive payment of principal and interest under the Undated Subordinated Notes and Coupons in accordance with the terms and conditions of the relevant Notes.
Negative Pledge	The terms of the Senior Notes issued by BNPP will contain a negative pledge provision as described under Condition 2(d) of the Terms and Conditions of the relevant Notes.
Rating	Notes issued by BNPP under the Programme may be rated or unrated. Details of the rating, if any, attributable to an issue of Notes will be set out in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Approval, listing and admission to trading	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 Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or the EuroMTF market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. Notes may be listed or admitted to trading on other stock exchanges or markets as may be specified in the applicable Final Terms and references to listing shall be construed accordingly. The applicable Final Terms will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Governing Law	The Notes will be governed by, and construed in accordance with, English law, other than Condition 2(c) in relation to Subordinated Notes which, if applicable, will be governed by the laws of France.
Selling Restrictions	There are restrictions on the sale of Notes and the distribution of offering material — see "*Subscription and Sale*" below. EEA, United States, UK, France, Japan, Italy and the Netherlands: TEFRA D, Regulation S Category 2.
Final Terms/Prospectuses/ Supplements	The Final Terms will contain the information items permitted under Article 22.4 of Commission Regulation (EC) No 809/2004 (the "**Prospectus Regulation**"). A Prospectus may be used for any Tranche of Notes under the Programme, and such prospectus will include the final terms and conditions for such Notes and, *inter alia*,

incorporate by reference all or any part of this Document. A Supplement shall mention every significant new factor, material mistake or inaccuracy relating to the information included in this Document which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Document is approved by the CSSF and the final closing of any offer to the public or, as the case may be, the time when trading on an ISD Regulated Market begins.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes which will include the additional terms and conditions contained in Annex 1 in the case of Index Linked Notes, the additional terms and conditions contained in Annex 2 in the case of Share Linked Notes, the additional terms and conditions contained in Annex 3 in the case of Inflation Linked Notes, the additional terms and conditions contained in Annex 4 in the case of Commodity Linked Notes, the additional terms and the additional terms and conditions contained in Annex 5 in the case of Fund Linked Notes and conditions contained in Annex 6 in the case of Credit Linked Notes, the additional terms and conditions contained in Annex 7 in the case of GDR/ADR Linked Notes, the additional terms and conditions in Annex 8 in case of Custom Index Linked Notes and the additional terms and conditions in Annex 9 in the case of Foreign Exchange (FX) Linked Notes or any other Annex which may be added from time to time in the case of any Notes linked to any other Underlying Reference which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms for the purpose of a specific issue of Notes, will be attached to or incorporated by reference into each Global Note and which will be endorsed upon each definitive Note. The applicable Final Terms will be incorporated into, or attached to, each Global Note and endorsed upon each definitive Note. Reference should be made to "Form of the Notes" below for a description of the content of Final Terms which will include the definitions of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series of the Notes ("**Notes**", which expression shall mean (i) in relation to any Notes represented by a Note in global form (a "**Global Note**", which term shall include any Bearer Global Note or Registered Global Note), units of the lowest Specified Denomination (as specified in the applicable Final Terms) in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a Global Note and (iii) any Global Note) issued by the Issuer specified as such in the applicable Final Terms being either BNP Paribas ("**BNPP**") or BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**"), each an "**Issuer**" and references herein to the "**relevant Issuer**" being to the Issuer of the relevant Notes) subject to, and with the benefit of, an amended and restated agency agreement (the "**Agency Agreement**", which expression includes the same as it may be updated or supplemented from time to time) dated 29 May 2009 and made between BNPP B.V. as issuer, BNPP as issuer and (where the Issuer is BNPP B.V.) as guarantor (in such capacity, the "**Guarantor**"), BNP Paribas Securities Services, Luxembourg Branch as Luxembourg listing agent, issuing agent, principal paying agent, exchange agent and, unless otherwise specified in the applicable Final Terms, calculation agent (the "**Principal Paying Agent**", "**Exchange Agent**" and "**Calculation Agent**" which expressions shall include any successor as principal paying agent, exchange agent or any other calculation agent specified in the applicable Final Terms), BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression shall include any successor registrar) and the other paying agents and transfer agents named therein (together with the Principal Paying Agent, the "**Paying Agents**" and "**Transfer Agents**" which expressions shall include any additional or successor paying agents or transfer agents). The Principal Paying Agent, Registrar, Transfer Agents and Exchange Agent are referred to together as the "**Agents**".

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means each original issue of Notes together with any further issues expressed to form a single series with the original issue which are denominated in the same Specified Currency and which have the same Maturity Date, Interest Basis and Interest Payment Dates (if any) and the terms of which (save for the Issue Date or Interest Commencement Date and the Issue Price) are otherwise identical (including whether or not the Notes are listed) and the expressions "**Notes of the relevant Series**" and "**Noteholders of the relevant Series**" and related expressions shall be construed accordingly.

To the extent the Final Terms for the Series of Notes specifies other Terms and Conditions which are in addition to, or inconsistent with, these Terms and Conditions, such new Terms and Conditions shall apply to this Series of Notes.

The holders for the time being of the Notes ("**Noteholders**"), which expression shall, in relation to any Notes represented by a Global Note, be construed as provided in Condition 1, the holders of the Coupons (as defined below) appertaining to interest-bearing definitive Bearer Notes

(the "**Couponholders**"), the holders of the Talons (the "**Talonholders**") and the holders of the Receipts (the "**Receiptholders**") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are binding on them. Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement (which contains the form of Final Terms) and the Final Terms for the Notes of this Series are available from the principal office of the Principal Paying Agent and the Paying Agents set out at the end of these Terms and Conditions.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the amended and restated deed of covenant (the "**Deed of Covenant**") dated 29 May 2009 and made by the Issuers. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear Bank SA/NV and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**").

Subject as provided in the Guarantee (as defined below), where the Issuer is BNPP B.V., the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of guarantee (the "**Guarantee**") dated 29 May 2009 (as amended from time to time) made by BNPP. The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office.

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 (including The Depository Trust Company and Euroclear France and the *Intermédiaires financiers habilités* authorised to maintain accounts therein (together, "**Euroclear France**")) approved by the Issuers and the Principal Paying Agent.

Words and expressions defined in the Agency Agreement or defined or set out in the applicable Final Terms (which term, as used herein, means, in relation to this Note, the Final Terms attached hereto or endorsed hereon) 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 Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination, Title and Transfer

(a) Form, Denomination and Title

The Notes are in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") in the Specified Currency and Specified Denomination(s) and definitive Notes will be serially numbered. This Note is a Senior Note or a Subordinated Note as indicated in the applicable Final Terms. This Note is, to the extent specified in the applicable Final Terms, a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a Note with interest linked to one or more underlying reference asset or basis (an "**Underlying Reference(s)**") specified in the applicable Final Terms such as an Index Linked Interest Note, a Share Linked Interest Note, an Inflation Linked Interest Note, a Commodity Linked Interest Note, a Fund Linked Interest Note, a GDR/ADR Linked Interest Note, a Foreign Exchange (FX) Rate Interest Linked Note or a Hybrid Interest Note, or any combination thereof or, subject to all applicable laws and regulations, any other type of Note depending on the Interest Basis specified in the applicable Final Terms. This Note may be an Index Linked Redemption Note, a Share Linked Redemption Note, an Inflation Linked Redemption Note, a Commodity Linked Redemption Note, a Fund Linked Redemption Note, a Credit Linked Note, a GDR/ADR Linked Redemption Note, a Foreign Exchange (FX) Rate Linked Redemption Note, a Hybrid Redemption Note, an Instalment Note, a Partly Paid Note or any combination thereof or, subject to all applicable laws and regulations, any one type of Note depending on the Redemption/Payment Basis specified in the applicable Final Terms. If it is a definitive Bearer Note, it is issued with coupons for the payment of interest ("**Coupons**") attached and, if applicable, talons for further Coupons ("**Talons**") attached unless it is a Zero Coupon Note in which case references to

interest (other than in the case of late payment) and Coupons in these Terms and Conditions are not applicable. If it is a definitive Bearer Note Instalment Note it is issued with receipts ("**Receipts**") for the payment of instalments of principal prior to stated maturity attached. Any reference in these Terms and Conditions to Coupon(s), Couponholder(s) or coupon(s) shall, unless the context otherwise requires, be deemed to include a reference to Talon(s), Talonholder(s) or talon(s).

Subject as set out below, title to the Bearer Notes, the Coupons and the Receipts will pass by delivery and title to Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The holder of each Coupon or Receipt, whether or not such Coupon or Receipt is attached to a Bearer Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. The Issuer, the Guarantor and any Paying Agent, to the extent permitted by applicable law, may deem and treat the bearer of any Bearer Note, Coupon or Receipt as the absolute owner thereof (whether or not such Bearer Note, Coupon or Receipt shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Bearer Global Note, without prejudice to the provisions set out below.

The Issuer has appointed the Registrar at its office specified below to act as registrar of the Registered Notes. The Issuer shall cause to be kept at the specified office of the Registrar for the time being at 33 rue de Gasperich, Howald - Hesperange, L-2085 Luxembourg, a register (the "**Register**") on which shall be entered, *inter alia*, the name and address of the holder of the Registered Notes and particulars of all transfers of title to the Registered Notes.

For so long as any of the Notes is represented by a Bearer Global Note or a Registered Global Note (each as defined in (vi) below) held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of 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 such 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 and the Agents as the holder of such nominal amount of such 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 Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and any 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 "**Noteholders**" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

(b) Transfers of Registered Notes

(i) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, 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. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form 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.

(ii) Transfers of Registered Notes in definitive form

Subject as provided in paragraph (v) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form 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 Registered Note for registration of the transfer of the Registered Note (or the relevant part of the 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 such regulations being set out in Schedule 8 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 Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 5, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(iv) 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.

(v) Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time. Prior to expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Global Note may only be made to a transferee in the United States or who is a U.S. person

pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**Securities Act**").

(vi) Definitions

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

"**Bearer Global Note**" means a global note (temporary or permanent) in bearer form;

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as determined and certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"**Registered Global Note**" means a global note in registered form; and

"**Regulation S**" means Regulation S under the Securities Act.

2. Status of the Notes, the Guarantee and Negative Pledge

(a) Status (Senior Notes and all Notes issued by BNPP B.V.)

If the Notes are issued by BNPP and are "**Senior Notes**" or if the Notes are issued by BNPP B.V., the Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

(b) Status and terms of the Guarantee

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

Where the Issuer is BNPP B.V., subject as provided below and in the Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Noteholder all obligations of the Issuer in respect of such Notes as and when such obligations become due, and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Notes as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the Guarantee) after a demand has been made on BNPP pursuant to clause 8 thereto (without requiring the relevant Noteholder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations, provided that in the case of Notes (other than Credit Linked Notes) where the obligations of the Issuer which fall to be satisfied by the Guarantor constitute the delivery of the Entitlement to the holders of such Notes if such delivery is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 4(b)(A)(5)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 4(b)(A)(6)), in lieu of such delivery BNPP will make payment in respect of each such Note of, in the case of (x) above, the Disruption Cash Redemption Amount (as defined in Condition 4(b)(A)(5)) or in the case of (y) above, the Failure to Deliver Redemption Amount (as defined in Condition 4(b)(A)(6)). Any payment of the Disruption Cash Redemption Amount or the Failure to Deliver Redemption Amount, as the case may be, in respect of a Note shall constitute a complete discharge of BNPP's obligations in respect of the delivery of the Relevant Assets affected by the Settlement Disruption Event or Failure to Deliver due to Illiquidity, as the case may be.

(c) Status (Subordinated Notes)

(i) "**Subordinated Notes**" comprise Dated Subordinated Notes and Undated Subordinated Notes in each case issued by BNPP.

(A) Dated Subordinated Notes

If the Notes are "**Dated Subordinated Notes**", the Notes are direct, unconditional, unsecured and subordinated obligations of BNPP and rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of BNPP and have a fixed maturity date. Subject to applicable law, in the event of the voluntary liquidation of BNPP, bankruptcy proceedings, or any other similar proceedings affecting BNPP, the rights of the Noteholders and (if so specified in the applicable Final Terms) the Couponholders to payment under the Dated Subordinated Notes and (if applicable) relative Coupons will be subordinated to the full payment of the unsubordinated creditors (including depositors) of BNPP and, subject to such payment in full, such Noteholders and (if so specified in the applicable Final Terms) Couponholders will be paid in priority to *prêts participatifs* granted to BNPP and *titres participatifs* issued by BNPP. The relative Coupons will not be subordinated (unless otherwise specified in the applicable Final Terms).

(B) Undated Subordinated Notes

If the Notes are "**Undated Subordinated Notes**", the Notes are direct, unconditional, unsecured and subordinated obligations of BNPP and rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer and have no fixed maturity date. Payment of interest in respect of Undated Subordinated Notes may be deferred in accordance with the provisions of Condition 3(g).

Subject to applicable law, in the event of the voluntary liquidation of BNPP, bankruptcy proceedings, or any other similar proceedings affecting BNPP, the rights of Noteholders and Couponholders to payment under the Undated Subordinated Notes and relative Coupons will be subordinated to the full payment of the unsubordinated creditors (including depositors) of BNPP and, subject to such payment in full, such Noteholders and Couponholders will be paid in priority to *prêts participatifs* granted to BNPP and *titres participatifs* issued by BNPP.

The proceeds of issues of Undated Subordinated Notes may be used for off-setting losses of BNPP and, thereafter, to allow it to continue its activities in accordance with French banking regulations. The loss will be charged first against accumulated profits, then against reserves and capital, and finally, if needed, against the subordinated loans and unpaid interest thereon (including interest on the Notes) which include a clause providing for the absorption of the losses, in order to allow BNPP to fulfil the regulatory requirements applicable to banks prevailing in France, especially those relating to solvency ratios, and in order to allow BNPP to continue its activities. The proceeds of such issues will be classed amongst the funds of BNPP in accordance with Article 4(c) of *Règlement* No. 90-02 of the *Comité de la règlementation bancaire et financière*. This provision does not in any way affect any French law applicable to accounting principles relating to allocation of losses nor the duties of the shareholders and

does not in any way affect the rights of the Noteholders and Couponholders to receive payments of principal and interest under Undated Subordinated Notes and relative Coupons in accordance with these Terms and Conditions.

(d) Negative Pledge (Senior Notes issued by BNPP)

BNPP undertakes that, so long as any of the Notes or Coupons issued by BNPP shall remain outstanding, it will not create any lien, pledge or other charge upon any of its present or future property, rights and assets as security for any notes or bonds (*obligations*) which are for the time being, or are capable of being, quoted, listed or ordinarily dealt with on any stock exchange unless the Notes issued by BNPP are secured rateably by such lien, pledge or charge.

This paragraph (d) does not apply to Subordinated Notes.

3. 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 expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "***Interest Period End Final Date***" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day 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 except as provided in the applicable Final Terms:

(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: (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or (B) 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.

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, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes and Notes with interest linked to other Underlying References

(i) Interest Period End Dates and Interest Payment Dates

Each Floating Rate Note and, subject to the provisions of Condition 3(d) below and unless otherwise specified in the applicable Final Terms, each Index Linked Interest Note, Share Linked Interest Note, Inflation Linked Interest Note, Commodity Linked Interest Note, Fund Linked Interest Note, GDR/ADR Linked Interest Note, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Note, Hybrid Linked Interest Note and Notes with interest linked to other Underlying References bears interest on its nominal amount (or, if it is a Partly Paid Note, in accordance with Condition 3(e)) in respect of each Interest Period (which expression shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 3(b) "**Interest Period End Date**" shall mean either:

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

(2) 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:

(A) In any case where Specified Periods are specified in accordance with Condition 3(b)(i)(2) above, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i)) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

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

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

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

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 (A) 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 (B) 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) System (the "**TARGET System**") is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes, Index Linked Interest Notes**,** Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes and Notes with interest linked to other Underlying References will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying 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 (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**AFB 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 "**AFB 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 AFB Agreement) with the holder of the relevant Note under which:

(A) the Issuer was the Floating Amount Payer;

(B) the Principal Paying Agent (as defined herein) was the Agent (as defined in the AFB 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 sub-paragraph (vi) below;

(2) the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the AFB Agreement) determined by the Principal Paying Agent in accordance with the preceding sentence; and

(3) the Principal Paying Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest 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 applicable Final Terms may if agreed by the relevant Dealer(s) set out such provisions in full.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

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

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes and Notes with interest linked to other Underlying References, will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period. In the case of Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes and Notes with interest linked to other Underlying References, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or Calculation Agent, as applicable, 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, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes and Notes with interest linked to other Underlying References which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes and Notes with interest linked to other Underlying References in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note, Index Linked Interest Note, Share Linked Interest Note, Inflation Linked Interest Note, Commodity Linked Interest Note, Fund Linked Interest Note, GDR/ADR Linked Interest Note, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Note, Hybrid Interest Note or a Note with interest linked to another Underlying Reference 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.

"**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 (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

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

"**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 Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

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

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

(e) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest 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 Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

"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 Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest 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 Interest 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 Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"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 Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Redemption Date or (ii) such number would be 31 in which case D2 will be 30.

(vii) Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subparagraph (ii), (iii), (iv) or (v) above (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subparagraph (ii), (iii), (iv) or (v) above (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(viii) Notification of Rate of Interest and Interest Amount

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (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 Official List of the Luxembourg Stock Exchange and 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 Principal 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 holders of the Notes) shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth 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 12. 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.

(ix) Certificates to be Final

All certificates, communications, determinations, calculations and decisions made for the purposes of the provisions of this paragraph (b), by the Principal Paying Agent or, if applicable, Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Principal 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 Principal Paying Agent or, if applicable, the Calculation Agent, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Zero Coupon Notes

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5(e) at its Amortised Face Amount. As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield specified in the applicable Final Terms. Such interest shall continue to accrue (as well after as before any judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note. Such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and in the case of an incomplete month the actual number of days elapsed in such incomplete month or on such other basis as may be specified in the applicable Final Terms.

(d) Interest on Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes and Notes with interest linked to other Underlying References

In the case of Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, GDR/ADR Linked Interest Notes, Custom Index Linked Interest Notes, Foreign Exchange (FX) Rate Linked Interest Notes, Hybrid Interest Notes, Notes with interest linked to other Underlying References, where the Rate of Interest and/or the Interest Amount (whether on any Interest Payment Date, early redemption, maturity or otherwise) falls to be determined by reference to one or more Inflation or other Indices, Shares, GDRs and/or ADRs, Commodity or Commodity Indices, formulae, exchange rates, fund share, units or interests (or any combination thereof) and/or otherwise, the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

(e) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes) interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(f) Interest Payments

Interest will be paid subject to and in accordance with the provisions of Condition 4. Interest will cease to accrue on each Note (or, in the case of the redemption of part

only of a Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal or the payment, and/or delivery of the Entitlement (if applicable), is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgment) at the Fixed Rate or, as the case may be, the Rate of Interest or as otherwise provided in the applicable Final Terms until whichever is the earlier of (i) the day on which all sums due and/or assets deliverable in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Principal Paying Agent or any agent appointed by the Issuer to deliver such assets to Noteholders has notified the holder thereof (either in accordance with Condition 12 or individually) of receipt of all sums due and/or assets deliverable in respect thereof up to that date.

Provided that in the case of Credit Linked Notes, these provisions shall be subject to the provisions contained in Annex 6 – "Additional Terms and Conditions for Credit Linked Notes".

(g) Deferral of Interest – Undated Subordinated Notes

In the case of Undated Subordinated Notes, and when so specified in the applicable Final Terms, the Board of Directors of BNPP may decide, prior to any date for the payment of interest, to suspend payment of the interest accrued during any interest period if at the most recent Annual General Meeting of the shareholders of BNPP which preceded the corresponding date for the payment of interest no dividend was declared, paid or set apart for payment on or with respect to any class of share capital of BNPP provided that notice of such decision is given to the relevant Noteholders in accordance with Condition 12 as soon as reasonably practicable following the taking of such decision and in any event not later than seven days prior to any date for the payment of interest. In such a case, any interest so suspended shall constitute "**Arrears of Interest**" (which term shall include interest on such unpaid interest) the payment of which shall be deferred until the date for the payment of interest immediately following the date upon which any dividend has been declared, paid, or set aside for payment on or with respect to any class of share capital of BNPP at the most recent Annual General Meeting of the shareholders of BNPP. Arrears of Interest shall bear interest (which shall accrue on a daily basis) at the same rate of interest as the Notes to which they relate.

Arrears of Interest may at the option of BNPP be paid in whole or in part at any time upon the expiry of not less than seven days' notice to such effect given to the Noteholders in accordance with these Conditions, but all Arrears of Interest shall (subject to applicable laws and regulations) become due in full on whichever is the earliest of (i) the date for the payment of interest immediately following the date upon which a dividend is next declared, paid or set aside as aforesaid, or (ii) the date set for any redemption or purchase pursuant to Condition 5(b) or (c) (in the case of redemption) or 5(f) (in the case of purchase), provided all the Notes are so purchased, or (iii) the commencement of "*liquidation judiciaire*" or "*liquidation amiable*" procedures as contemplated by Condition 8(b).

If notice is given by BNPP of its intention to pay the whole or part of Arrears of Interest, BNPP shall be obliged (subject to applicable laws and regulations) to do so upon the expiry of such notice.

Where Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full.

4. Payments, Physical Delivery and Exchange of Talons

For the purposes of this Condition 4, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so admits, be deemed also to refer to delivery of any Entitlement(s).

(a) Method of Payment

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 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 (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 Specified Currency), payment will instead be made by a cheque in the Specified 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 Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified 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 Specified 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) 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.

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)) except as otherwise provided in the third succeeding paragraph. No payments with respect to the Bearer Notes will be made by mail to an address in the United States or by transfer to an account maintained by the holder in the United States.

Subject as provided below and subject also as provided in the applicable Final Terms, payments in respect of definitive Notes (other than Foreign Exchange (FX) Rate Notes) denominated in a Specified Currency (other than euro) or, in the case of Foreign Exchange (FX) Rate Notes, payable in a Specified Currency (other than euro) will (subject as provided below) be made by a cheque in the Specified Currency drawn on, or, at the option of the holder and upon 15 days' prior notice to the Principal Paying Agent, by transfer to an account in the Specified Currency maintained by the payee with, a bank in the principal financial centre of the country of the Specified 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. The applicable Final Terms may also contain provisions for variation of settlement where, for reasons beyond the control of the Issuer or any Noteholder (including, without limitation, unlawfulness, illegality, impossibility, *force majeure*, non-transferability or the like, each a "**Payment Disruption Event**"), the Issuer is not able to make, or any Noteholder is not able to receive, as the case may be, payment on the due date and in the Specified Currency of any amount of principal or interest due under the 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.

Notwithstanding the foregoing, payments in respect of Bearer Notes denominated and payable in U.S. dollars will be made at the specified office of any Paying Agent in the United States if (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount due on the Bearer Notes in the manner provided above

when due and (b) payment of the full amount due at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions.

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.

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 6) for the payment of such sum due for payment, whether or not such Coupon has become void pursuant to Condition 9 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, Index Linked Note, Share Linked Note, Inflation Linked Note, Commodity Linked Note, Fund Linked Note, GDR/ADR Linked Note, Custom Index Linked Note, Foreign Exchange (FX) Rate 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, Inflation Linked Note, Commodity Linked Note, Fund Linked Note, GDR/ADR Linked Note, Custom Index Linked Note, Foreign Exchange (FX) 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 against the provision of such indemnity of the Issuer or the Guarantor (if applicable).

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 9) 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;

(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.

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 Principal 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. 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.

The names of the initial Principal 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:

(i) so long as any Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent (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

(ii) there will at all times be a Principal Paying Agent and a Registrar; and

(iii) there will at all times be a Paying Agent in a jurisdiction within continental Europe other than the jurisdiction of the Issuer; and

(iv) 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.

In addition, the Issuer shall immediately appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4(a). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice shall have been given to the Noteholders in accordance with Condition 12.

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 6.

(b) Physical Delivery

(A) Physical Delivery

(1) 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), in order to obtain delivery or Delivery of the Entitlement in respect of any Note, the relevant Noteholder must:

(X) 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 Principal 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 in the form set out in the Agency Agreement; and

(Y) 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 Principal 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 fifth Business Day immediately preceding the Maturity Date or (b) in respect of a Credit Linked Note, the first Business Day immediately preceding the Settlement Date.

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:

(i) 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;

(ii) specify the series number of the Notes and the number of Notes which are the subject of such notice;

(iii) 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 Settlement Date;

(iv) 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 of the Noteholder with the relevant Clearing System in respect thereof and to pay such Expenses;

(v) 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 Condition 7, 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 electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Redemption Amount;

(vi) 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;

(vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If Condition 4(b)(B) 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.

(2) 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 Principal 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 Principal Paying Agent will inform the Issuer and any Delivery Agent thereof. The relevant Clearing System will on or before the Delivery Date or Settlement Date, as the case may be, debit the securities account of the relevant Noteholder with the relevant Notes.

(3) 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 Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Guarantor (if applicable), the Principal 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 Principal Paying Agent and any Delivery Agent immediately after being delivered or sent as provided in paragraph (1) 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 Principal 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 Settlement Date, 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 Principal 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 Settlement Date 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 originally designated Settlement Date, 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 comprising the Entitlement, in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms. 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 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 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.

(4) 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 its sole and absolute discretion 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 4(b)(A)(1).

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 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 or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations 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 or Deliverable Obligations.

(5) Settlement Disruption

The provisions of this Condition 4(b)(A)(5) apply to Notes other than Credit Linked Notes.

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and

notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Redemption Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 12. Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 12. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 12 that a Settlement Disruption Event has occurred. No Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

"**Disruption Cash Redemption Amount**", in respect of any relevant Note, shall be the fair market value of such Note (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets) less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms; and

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent or, if the proviso in the second paragraph of Conditions 2(*b*) applies, the Guarantor, an event beyond the control of the Issuer or the Guarantor, as the case may be, as a result of which the Issuer or the Guarantor, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(6) Failure to Deliver due to Illiquidity

The provisions of this Condition 4(b)(A)(6) apply to the Notes other than Credit Linked Notes.

If "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms and in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the "**Affected Relevant Assets**") comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

(i) subject as provided elsewhere in the Terms and Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated date of redemption in accordance with this Condition 4(b); and

(ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Failure to Deliver Redemption

Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 12. 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 12. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 12 that the provisions of this Condition 4(b)(A)(6) apply.

For the purposes hereof, "**Failure to Deliver Redemption Amount**" in respect of any relevant Note shall be the fair market value of such Note (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

(7) Additional Provisions for Credit Linked Notes

In the case of Credit Linked Notes, the provisions contained in Annex 6 – "Additional Terms and Conditions for Credit Linked Notes" shall apply.

(B) Variation of Settlement

(i) 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 12.

(ii) 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.

(C) Issuer's Option to Substitute Assets or to pay the Alternate Cash Redemption Amount

Notwithstanding any provision of these Conditions to the contrary, the Issuer may, in its sole and absolute discretion in respect of such Notes, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Noteholders, but in lieu thereof to make payment to the relevant Noteholder on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as

determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Redemption Amount**"). Notification of any such election will be given to Noteholders in accordance with Condition 12 and in the event that the Issuer elects to pay the Alternate Cash Redemption Amount such notice shall give details of the manner in which such amount shall be paid.

For purposes hereof, a "**freely tradable**" share 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 tradable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction.

(D) Rights of Noteholders and Calculations

None of the Issuer, the Guarantor (if applicable), 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.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note (other than a Credit Linked Note) will be redeemed by the Issuer at its relevant Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Maturity Date specified in the applicable Final Terms or, if Physical Settlement is specified as applicable in the applicable Final Terms (each such Note a "**Physical Delivery Note**") by delivery of the Entitlement specified in the applicable Final Terms (as provided in Condition 4(b) above). This Note may not be redeemed other than in accordance with these Conditions.

(b) Redemption for Taxation Reasons

The provisions of this Condition 5(b) shall not apply in the case of Notes issued by BNPP B.V. and guaranteed by BNPP if Condition 6(b)(ii) is specified as applicable in the applicable Final Terms.

(i) If the Issuer or the Guarantor (if applicable) would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France (in the case of payments by BNPP) or the Netherlands (in the case of payments by BNPP B.V.) or in either case any other authority thereof or therein be required to pay additional amounts as provided in Condition 6, the Issuer may at its option at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) but subject, in the case of Subordinated Notes, to the prior approval of the *Secrétariat général de la commission bancaire* in France, on giving not more than 45 nor less than 30 days' notice to the Noteholders (in accordance with Condition 12) which notice shall be irrevocable, redeem all, but not some only, of the Notes at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be

no earlier than the latest practicable date upon which the Issuer could make payment without withholding for such taxes.

(ii) If the Issuer or the Guarantor (if applicable) would, on the next due date for payment of any amount in respect of the Notes, be prevented by French law (in the case of payments by BNPP) or Dutch law (in the case of payments by BNPP B.V.) from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 6, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and shall, subject in the case of Subordinated Notes, to the prior approval of the *Secrétariat général de la commission bancaire* in France, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, upon giving not less than 7 nor more than 45 days' prior notice to the Noteholders (in accordance with Condition 12), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or, if such date is already past, as soon as practicable thereafter.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, subject in the case of Subordinated Notes, to the prior approval of the *Secrétariat général de la commission bancaire* in France, having given:

(i) not less than 15 nor more than 30 days' (or such other period specified in the applicable Final Terms) notice to the Noteholders in accordance with Condition 12; and

(ii) not less than 15 days (or such other period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the Principal Paying Agent,

(which notices 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 and at the Optional Redemption Amount(s) specified in, or determined on the Optional Redemption Valuation Date in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any partial redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of

Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 at least five days prior to the Selection Date.

In the case of Subordinated Notes, no redemption at the option of the Issuer will be permitted prior to five years from the date of issue thereof.

(d) Redemption at the Option of the Noteholders (Noteholder Put)

In the case of Subordinated Notes, no redemption of the Notes at the option of the Noteholder is permitted. If Noteholder Put is specified in the applicable Final Terms and provided that this Note is not a Subordinated Note, upon a Noteholder giving to the Issuer in accordance with Condition 12 not less than 15 nor more than 30 days' (or such other period specified in the applicable Final Terms) notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined on the Optional Redemption Valuation Date in the manner specified in, the applicable Final Terms, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the relevant Noteholder must deliver at the specified office of the Registrar or, as the case may be, any Paying Agent at any time during normal business hours of such Registrar or Paying Agent 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 or any Paying Agent (a "**Put Notice**") and in which the Noteholder 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, accompanied by this Note or evidence satisfactory to the Registrar or the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control in accordance with the Agency Agreement. If this 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 this Note the relevant Noteholder must, within the notice period, give notice to the Registrar or Paying Agent concerned 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 or common safekeeper, as the case may be, for them to the Registrar or Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice given by a Noteholder pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 8.

(e) Early Redemption

For the purposes of paragraph (b) above, Condition 8 and any circumstances where the Notes are to be redeemed prior to their Maturity Date at their Early Redemption Amount (as defined below), each Note will be redeemed at an amount (the "**Early Redemption Amount**") calculated as follows, together, if appropriate, with interest

accrued to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable:

(i) in the case of a Note (other than a Zero Coupon Note or a Note whose Early Redemption Amount is linked to an index, a formula or other Underlying Reference) with a Final Redemption Amount equal to its nominal amount, at the Final Redemption Amount thereof; or

(ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be lesser or greater than its nominal amount or which is payable in a Specified Currency other than that in which the Note is denominated or a Note whose Early Redemption Amount is linked to an index, a formula or other Underlying Reference, at the amount set out in, or determined in the manner set out in, the applicable Final Terms or, if no such amount or manner is set out in the Final Terms, at its nominal amount; or

(iii) in the case of a Physical Delivery Note, as determined in the manner specified in the applicable Final Terms; or

(iv) in the case of a Zero Coupon Note the Early Redemption Amount of which is not linked to an index, a formula or other Underlying Reference at an amount (the "**Amortised Face Amount**") equal to the sum of:

(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.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed in such incomplete month or such other calculation basis as may be specified in the applicable Final Terms.

(f) Purchases

The Issuer may, but is not obliged to, at any time purchase Notes (together with (in the case of definitive Bearer Notes of this Series) all unmatured Receipts or Coupons appertaining thereto) at any price in the open market or otherwise.

In the case of Subordinated Notes, where (i) the aggregate nominal amount of Notes remaining outstanding after such purchase is less than 90 per cent. of the total nominal amount of such Notes originally issued or (ii) in the case of an *Offre Publique d'Achat* ("**Public Repurchase Offer**") or an *Offre Publique d'Echange* ("**Public Exchange Offer**"), such purchase can only be made with the prior written consent of the *Secrétariat général de la commission bancaire* in France.

(g) Cancellation

All Notes which are redeemed or purchased by the Issuer will forthwith be cancelled (together, in the case of definitive Bearer Notes, with all unmatured Coupons and Receipts presented therewith) and accordingly may not be re-issued or resold.

(h) Instalments

Each Note in definitive form which is redeemable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. All instalments (other than the final instalment) will be paid by surrender of, in the case of a definitive Bearer Note, the relevant Receipt (which must be presented with the Note to which it appertains) and, in the case of a definitive Registered Note,

the relevant Note and issue of a new Note in the nominal amount remaining outstanding, all as more fully described in Condition 4.

(i) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (b), (c) or (d) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (iv) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

(1) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(2) the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

(j) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition 5 as amended or varied by the information specified in the applicable Final Terms.

6. Taxation

(a) Notes issued by BNPP

(i) **Tax exemption for Notes issued or deemed to be issued outside France:** In the case of Notes issued by BNPP interest and other revenues with respect to Notes which constitute *obligations* under French law or *titres de créances négociables* under French tax law, or other debt instruments issued under French or foreign law and fiscally and which, as may be specified in the relevant Final Terms, are being issued or deemed to be issued outside the Republic of France benefit from the exemption, provided for in Article 131 *quater* of the French *Code Général des Impôts*, from deduction of tax at source set out under Article 125 A III of the French *Code Général des Impôts*. Accordingly such payments do not give the right to any tax credit from any French source.

The tax regime applicable to Notes which do not constitute *obligations* under French law or *titres de créances négociables* under French tax law, or other debt instruments issued under French or foreign law and fiscally will be set out in the relevant Final Terms.

(ii) **Additional Amounts:** If French law should require that payments in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:

(A) **Other Connection:** presented for payment by or on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or

(B) **Presentation more than 30 days after the Relevant Date:** presented more than 30 days after the relevant Date except to the extent that the Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(C) **Payment to individuals under French law:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(D) **Payment by another paying agent:** presented for payment by or on behalf of a holder of any Note, Receipt or Coupon, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU.

As used 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.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Credit Event Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

(iii) **Certification of Non-Residency in France:** Each Noteholder shall be responsible for supplying certification of non-French residency (a form of which shall be available at the specified offices of any of the Paying Agents or in such other form as may be required by the French tax authorities from time to time) in accordance with the relevant French tax provisions.

(iv) **Supply of Information:** Each Noteholder shall be responsible for supplying, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any European Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

(b) Notes issued by BNPP B.V.

(i) ***Gross-up***

In the case of Notes issued by BNPP B.V., if Condition 6(b)(i) is specified as applicable in the applicable Final Terms, all payments in respect of such

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 Jurisdiction unless such withholding or deduction is required by law. In the event that any amounts are required to be deducted or withheld for, or on behalf of, any Tax Jurisdiction, the Issuer or, as the case may be, the Guarantor shall, to the fullest extent permitted by law, pay such additional amount as may be necessary, in order that each Noteholder, Receiptholder or Couponholder, after deduction or withholding of such taxes, duties, assessments or governmental charges, will receive the full amount then due and payable provided that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

(A) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his being connected with the Netherlands (in the case of payments by BNPP B.V.) or France (in the case of payments by the Guarantor) other than by the mere holding of such Note, Receipt or Coupon; or

(B) presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day (as defined in Condition 4(a)); or

(C) where such withholding or deduction is imposed on a payment to an individual beneficial owner or a residual entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or

(D) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

In these Terms and Conditions:

(x) **Tax Jurisdiction** means France or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP as Issuer or Guarantor) or the Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP B.V.); and

(y) the **Relevant Date** means the date on which the relevant payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12.

(ii) ***No Gross-up***

In the case of Notes issued by BNPP B.V., if Condition 6(b)(ii) is specified as applicable in the applicable Final Terms, the Issuer (or failing whom the Guarantor) 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 failing whom the Guarantor) shall be

made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

7. 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 Receiptholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 12, 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 Principal Paying Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents 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 Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal 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 Principal 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 Specified 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 applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(viii) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

(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 roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109l(4) 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 establishing the European Community, as amended by the Treaty on European Union as amended by the Treaty of Amsterdam.

8. Events of Default and Enforcement

(a) Events of Default

In the case of Senior Notes or where the Issuer of the Notes is BNPP B.V., the Noteholder may give written notice to the Issuer and the Principal Paying Agent that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with interest accrued to the date of repayment, in any of the following events ("**Events of Default**"):

(i) the Issuer fails to pay any amount payable in respect of the Senior Notes or any of them when due and payable and such default is not remedied within 30 days after the relevant due date; or

(ii) the Issuer or the Guarantor (if applicable) fails to perform or observe any of its other obligations under the Notes and such default is not remedied within 45 days after notice of such default has been given to the Principal Paying Agent by any Noteholder; or

(iii) BNPP applies for the appointment of an ad hoc representative (*mandataire ad hoc*) under French bankruptcy law, or enters into an amicable procedure

(*procédure de conciliation*) with creditors or ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of BNPP or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer or Guarantor (if applicable) is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer or Guarantor (if applicable) makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer or Guarantor (if applicable) for its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's or the Guarantor's (if applicable) assets are transferred to, and all of the Issuer's or Guarantor's (if applicable) debts and liabilities (including the Notes) are assumed by, another entity which continues the Issuer's or Guarantor's (if applicable) activities.

(b) Enforcement (Subordinated Notes – General)

In the case of Subordinated Notes, the Noteholder may, upon written notice to the Principal Paying Agent given before all defaults have been cured, cause such Subordinated Note to become due and payable, together with accrued interest (and Arrears of Interest, if applicable) thereon, if any, as of the date on which said notice is received by the Principal Paying Agent, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer.

9. Prescription

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiry of 10 years from the due date thereof and claims for payment of interest (if any) in respect of the Notes shall be prescribed upon the expiry of five years, from the due date thereof. 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 9 or Condition 4 above.

10. Replacement of Notes, Receipts, Coupons and Talons

If any Note (including any Global Note), Receipt, Coupon or Talon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Principal Paying Agent or the Registrar, as the case may be, upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued. Cancellation and replacement of Notes, Receipts, Coupons or Talons shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

11. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their Issue Date, Interest Commencement Date, Issue Price and/or the amount and date of the first payment of interest thereon). Where the Issuer is BNPP, for the purposes of French law, such further notes shall be assimilated (*assimilables*) to the Notes as regards their financial service provided that the terms of such further notes provide for such assimilation.

12. Notices

(a) All notices to the holders of Registered Notes will be valid if mailed to their registered addresses.

(b) All notices regarding Notes, both Bearer and Registered, will be valid if published once (i) in a leading English language daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*), and (ii) so long as the Notes of

this Series are listed on the Official List of the Luxembourg Stock Exchange and so long as the rules of that exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders of this Series in accordance with this Condition.

(c) Until such time as any definitive Notes are issued, there may, so long as all the Global Note(s) for this Series (whether listed or not) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted, in relation only to such Series, for such publication as aforesaid in Condition 12(b), the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders except that if the Notes are listed on a stock exchange and the rules of that stock exchange so require, the relevant notice will in any event be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

(d) Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent. Whilst any Notes are represented by a Global Note, such notice may be given by a Noteholder to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

(e) All notices given to Noteholders (irrespective of how given) shall also be delivered in writing to Euroclear and Clearstream, Luxembourg and, in the case of listed Notes, to the relevant stock exchange.

13. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor or Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any such adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. In addition, in the case of an issue of Subordinated Notes, any proposed modification of any provision of the Notes (including a modification of the provisions as to subordination referred to in Condition 2(c) requiring a quorum of not less than two-thirds in nominal amount of the Notes for the time being outstanding can only be effected subject to the prior approval of the *Secrétariat général de la commission bancaire* in France. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders. Extraordinary Resolutions may also

be passed in writing if signed by holders of not less than 90 per cent in nominal amount of the Notes.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or to cure, correct or supplement any defective provision or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

14. Agents and Registrar

In acting under the Agency Agreement, the Agents will act solely as agents of each of the Issuer and Guarantor (if applicable) do not assume any obligations or relationship of agency or trust to or with the Noteholders, Receiptholders or Couponholders, except that (without affecting the obligations of the Issuer and the Guarantor (if applicable) to the Noteholders, Receiptholders and Couponholders, to repay Notes and pay interest thereon) funds received by the Principal Paying Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders and/or Receiptholders or Couponholders until the expiration of the relevant period of prescription under Condition 9. The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and any of its subsidiaries without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit.

15. 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 exists or is available apart from that Act.

16. Governing Law and submission to jurisdiction

(a) Governing law

The Agency Agreement, the Deed of Covenant, the Guarantee, the Notes (except for Condition 2(c), to the extent applicable, which is governed by, and shall be construed in accordance with French law), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Guarantee, the Notes (except as aforesaid), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) Submission to jurisdiction

The Issuer and the Guarantor (if applicable) agree, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Guarantee, the Receipts and/or the Coupons (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes, the Guarantee, the Receipts and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Notes, the Guarantee, the Receipts and the Coupons (including any non-contractual obligations arising out of or in connection with the Notes, the Guarantee, the Receipts and the Coupons) may be brought in such courts.

Each of the Issuer and the Guarantor (if applicable) hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer or the Guarantor (if applicable) in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Appointment of Process Agent

Each of the Issuer and the Guarantor (if applicable) appoints BNP Paribas, London branch, currently of 10 Harewood Avenue, London NW1 6AA (Attention: the Loan Administration Department) as its agent for service of process, 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 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.

(d) Other documents

The Issuer has in the Agency Agreement, the Guarantee and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED NOTES

*The terms and conditions applicable to Index Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Index Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Linked Conditions, the Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Market Disruption

"**Market Disruption Event**" means:-

(a) in respect of a Composite Index either:

(i) (a) the occurrence or existence, in respect of any Component Security, of:

(1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(3) an Early Closure in respect of such Component Security; and

(b) 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.

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

(b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the 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 Noteholders in accordance with Condition 12 of the General Conditions 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, or on any Knock-in Determination Date or Knock-out Determination 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 (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (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 last Averaging Date, last Observation Date, last Valuation 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, contracts or commodities and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on an Averaging Date, an Observation Date, a Valuation 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 Notes 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; or

(ii) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with General Condition 12, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the Index Adjustment Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(iii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Index Adjustment Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Adjustment Event (the "**Calculated Index Adjustment Amount Determination date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, at its nominal amount.

(c) 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 Noteholders 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 the due date for any payment under the Notes 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 Notes 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 a due date for payment under the Notes 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. Additional Disruption Events

(a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (if applicable) (iii) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to 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 determine the effective date of that adjustment; or

(ii) unless Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, redeem the Notes by giving notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation

Agent shall calculate the fair market value of each Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, at its nominal amount.

(b) Upon the occurrence of an 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 12 stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto.

5. Knock-in Event and Knock-out Event

(a) If "**Knock-in Event**" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Notes 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, unless otherwise specified in such Final Terms, payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

(c) 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 at any time during the one hour period that begins or ends at the Valuation Time the level of the Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, 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 of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(d) 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 of the Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, 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 of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(e) Definitions

Unless otherwise specified in the applicable Final Terms:

"**Knock-in Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

"**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

(i) in respect of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; and

(ii) in respect of a Basket of Indices, that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (x) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A)(a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Knock-in Level; or (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms.

"**Knock-in Level**" means (i) in the case of a single Index, the level of the Index and (ii) in case of a Basket of Indices, the level, in each case 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 Index Linked Condition 1 and Index Linked Condition 2.

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**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 Index Linked Condition 1 (Market Disruption) and Index Linked Condition 2 (Adjustments to an Index);

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

"**Knock-out Determination Day**" means the date(s) as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period.

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"**Knock-out Event**" means

(i) in respect of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; and

(ii) in respect of a Basket of Indices, that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (x) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(i) "greater than", (ii) "greater than or equal to", (iii) "less than", or (iv) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms.

"**Knock-out Level**" means (i) in the case of a single Index the level of the Index and (ii) in the case of a Basket of Indices, the level, in each case specified as such or otherwise determined

in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of Index Linked Condition 1 and Index Linked Condition 2 above.

"**Knock-out Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**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.

6. Automatic Early Redemption Event

If "**Automatic Early Redemption Event**" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount in the Relevant Currency specified in the applicable Final Terms equal to the relevant Automatic Early Redemption Amount.

"**Automatic Early Redemption Amount**" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

Definitions

Unless otherwise specified in the applicable Final Terms:

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay.

"**Automatic Early Redemption Event**" means (i) in case of a single Index that the level of the Index determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date is, and (ii) in the case of a Basket of Indices, the amount determined by the Calculation Agent equal to the sum of the values of each Index of each Index as the product of (x) the level of such Index as determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date and (y) the relevant Weighting is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the Final Terms.

"**Automatic Early Redemption Level**" means the level of the Index specified as such or otherwise determined in the applicable Final Terms, subject to "Adjustment to the Index" set forth in Index Linked Condition 2 above.

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, 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".

7. Definitions

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

"**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 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 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 Notes are Index Linked Notes relating to a single 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 Notes are Index Linked Notes relating to a Basket of 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 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 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 Terms and 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.

"**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), 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), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to an Index.

"**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.

"**Component Security**" means, in respect of a Composite Index, each component security of such Index.

"**Composite Index**" means any Index specified as such in the applicable Final Terms, or if not specified, any Index the Calculation Agent determines as such.

"**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 their 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 their 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.

"**Hedging Disruption**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Hedging Shares**" means the number of securities comprised in an Index that the Issuer and/or any of its affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor, (if applicable) and/or any of their respective affiliates shall not be deemed an Increased Cost of Hedging.

"**Increased Cost of Stock Borrow**" means that the Issuer and/or any of its affiliates would incur a rate to borrow any security comprised in an Index that is greater than the Initial Stock Loan Rate.

"**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 is the index sponsor specified for such Index in the applicable Final Terms.

"**Initial Stock Loan Rate**" means, in respect of a security comprised in an Index, the initial stock loan rate specified in relation to such security in the applicable Final Terms.

"**Loss of Stock Borrow**" means that the Issuer and/or any affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any securities comprised in an Index 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 security comprised in an Index, the Maximum Stock Loan Rate specified in the applicable Final Terms.

"**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 for 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 for 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, unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

(a) in the case of Index Linked Notes 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 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

(b) in the case of Index Linked Notes 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 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 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 Notes relating to a single 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 Notes relating to a Basket of 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 or price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using 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.

"**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 the Coupon Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(a) in the case of Index Linked Notes relating to a single 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 Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price 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 Notes relating to a Basket of 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 Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using 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; and

"**Valuation Time**" means:

(a) the Coupon Valuation Time or the Valuation Time, as the case may be, 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 Coupon Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Coupon Valuation Time or Valuation Time, as the case may be, shall be such actual closing time.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED NOTES

*The terms and conditions applicable to Share Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Share Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Linked Conditions, the Share Linked Conditions shall prevail. In the event of any inconsistency between (i) the General 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 Notes 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 in its sole and absolute discretion, 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 Noteholders in accordance with General Condition 12 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, or on a Knock-in Determination Day or a Knock-out Determination Day, 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 having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

"**Potential Adjustment Event Effective Date**" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding 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 its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (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 Noteholders in accordance with General Condition 12, stating the adjustment to 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 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 forth 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 Linked Notes 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% (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1% (in relation to a purchase of Shares) or lower than the MID minus 1% (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, 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, 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.

"**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 Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii), (iv) (if applicable), (v) or, in the case of Notes relating to a Basket of Shares only, (vi) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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 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 Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of sub-paragraph (vi) below;

(ii) in the case of Share Linked Notes relating to a Basket of Shares, redeem the Notes in part by giving notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed in part the portion (the "**Redeemed Amount**") of each Note representing the affected Share(s) shall be redeemed and the Issuer will:

(A) pay to each Noteholder in respect of each Note held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and

(B) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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 to account for such redemption in part. For the avoidance of doubt the remaining part of each Note after such cancellation and adjustment shall remain outstanding

with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12;

(iii) unless Delayed Redemption on the Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with General Condition 12, redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12;

(iv) if Delayed Redemption on the Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, its nominal amount;

(v) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the 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 its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

(vi) 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 Notes, 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 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 its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B / C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the sole and absolute discretion of the Calculation Agent:

(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:

1. the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and

2. 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.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 12 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 Notes calculated by reference to the price of a Share, 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 Notes is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Notes calculated by reference to the price of a Share will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

4. Additional Disruption Events

(a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or if applicable (iii) or, in the case of Notes linked to a Basket of Shares only, (iv) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case with respect to 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 to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) unless Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, redeem the Notes by giving notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from

and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater its nominal amount; or

(iv) in the case of Notes linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and 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 its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant date of the Additional Disruption Event.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

1. is not already included in the Basket of Shares;
2. the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
3. 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.

(b) Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer therefore as soon as practicable and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 12 stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto.

5. Knock-in Event and Knock-out Event

(a) If "**Knock-in Event**" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, payment and/or delivery, as

applicable, under the relevant Notes 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 unless otherwise specified in such Final Terms payment and/or delivery, as applicable, under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

(c) 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 at any time during the one hour period that begins or ends at the Valuation Time the price of the Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, 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 price of the Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(d) 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 price of the Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, 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 price of the Share as at the Knock-in Valuation Time or Knock-out Valuation time in accordance with the provisions contained in the definition of "Valuation Date". Definitions

Unless otherwise specified in the applicable Final Terms:

"**Knock-in Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

"**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:

(i) in respect of a single Share that the price of the Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; and

(ii) in respect of a Basket of Shares, that the amount determined by the Calculation Agent equal to the sum of the values for each Share of each Basket Company as the product of (x) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on the relevant Exchange on any Knock-in Determination Day and (y) the Weighting is,

(a)(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price or (b) "within" the Knock-in Range Price, in each case as specified in the applicable Final Terms.

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"**Knock-in Price**" means, (i) in case of a single Share, the price per Share and (ii) in the case of a Basket of Shares, the price, in each case 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 Share Linked Condition 1 and Share Linked Condition 2 above and as set forth in this Condition 5.

"**Knock-in Range Price**" means the range of prices 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 Share Linked Condition 1 and Share Linked Condition 2.

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"**Knock-out Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period.

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"**Knock-out Event**" means:

(i) in respect of a single Share, that the price of the Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; and

(ii) in respect of a basket of Shares, the amount determined by the Calculation Agent equal to the sum of the values for each Share as the product of (x) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on the relevant Exchange on any Knock-in Determination Day and (y) the relevant Weighting is,

(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price as specified 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 Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Price**" means (i) in the case of a single Share, the price per Share or (ii) in the case of a Basket of Shares, the amount, in each case 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 Share Linked Condition 2 above and this Condition 5.

"**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.

6. Automatic Early Redemption Event

If "**Automatic Early Redemption Event**" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

"**Automatic Early Redemption Amount**" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

Definitions

Unless otherwise specified in the applicable Final Terms:

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day and no Noteholder shall be entitled to any interest or further payment in respect of any such delay.

"**Automatic Early Redemption Event**" means:

(i) in case of a single Share that the price of the Share determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date is; and

(ii) in the case of a Basket of Shares, the amount determined by the Calculation Agent equal to the sum of the values for each Share as the product of (x) the price of such Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date and (y) the relevant Weighting is,

(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price as specified in the applicable Final Terms.

"**Automatic Early Redemption Price**" means the price per Share specified as such or otherwise determined in the applicable Final Terms, subject to adjustment as provided in Share Linked Condition 2 above.

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any such day is a Disrupted Day, then 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".

7. Definitions

Unless otherwise specified in the applicable Final Terms:

"**Additional Disruption Event**" means any of Change of Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Stop-Loss Event and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

"**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 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 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 Notes are Share Linked Notes 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 Notes are Share Linked Notes 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 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 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 Terms and 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;

"**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), 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), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant Share.

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant Share.

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of 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 (All Shares 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 Shares 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 its sole and absolute discretion.

"**Failure to Deliver**" means failure of the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates to deliver, when due, the Relevant Assets comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for such Shares.

"**Hedging Disruption**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or the Guarantor (if applicable), issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Hedging Shares**" means the number of Shares that the Issuer and/or any of its affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor (if applicable), issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates shall not be deemed an Increased Cost of Hedging.

"**Increased Cost of Stock Borrow**" means that the Issuer and/or any of its affiliates would incur a rate to borrow any Share that is greater than the Initial Stock Loan Rate.

"**Initial Stock Loan Rate**" means, in respect of a Share, the initial stock loan rate specified in relation to such Share 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 judgement 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.

"**Loss of Stock Borrow**" means that the Issuer and/or any affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share 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 Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

"**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 shall be determined by reference to the Share which is either (i) the best performing, (ii) the worst performing, or (iii) any other performance measure that is applied to the Shares, 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 for 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 for 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, unless otherwise specified in the applicable Final Terms and 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 Notes relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (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 the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

(ii) in the case of Share Linked Notes relating to a Basket of Shares and in respect of each Share comprising the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share) on (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 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 the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of 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.

"**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 Notes relating to a Basket of Shares, each share and, in the case of an issue of Notes 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 Notes 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.

"**Stop-Loss Event**" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at any time or the Scheduled Closing Time, as specified in the applicable Final Terms, 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 stipulated 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.

"**Strike Date**" means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(a) in the case of Share Linked Notes 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 the manner set out in the applicable Final Terms or, if not set out or if not practicable, 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 Notes 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 or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, 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 the Coupon 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 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 Notes 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 Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price 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 Notes 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 Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, 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; and

"**Valuation Time**" means Coupon 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 Coupon Valuation time or the Valuation Time, as the case may be, shall be such actual closing time.

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED NOTES

*The terms and conditions applicable to Inflation Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Inflation Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Inflation Linked Conditions set out below, the Inflation Linked Conditions shall prevail. In the event of any inconsistency between (i) the General 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 Determination Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the "**Substitute Inflation 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 relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

(ii) if (a) Related Bond is specified as not applicable in the relevant Final Terms, or (b) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (i) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

Substitute Inflation Index Level = Base Level x (Latest Level/Reference Level); or

(iii) otherwise in accordance with any formula specified in the relevant Final Terms,

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 Inflation 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 Inflation 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 Issuer shall promptly give notice to Noteholders in accordance with General Condition 12 of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation 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 not longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

(i) if Related Bond is specified as applicable in the relevant 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 for such Affected Payment Date, 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 Notes. 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 Noteholders by the Issuer in accordance with General Condition 12.

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 Notes and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with General Condition 12.

(ii) Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Linked Condition 1, the Issuer may make any adjustment or adjustments (without limitation) to (x) the Substitute Inflation Index Level determined in accordance with Index Linked Condition 1 and/or (y) any amount payable under the Notes and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with General Condition 12.

(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(v)(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 Determination 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 Noteholders of any valid revision in accordance with General Condition 12.

(b) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination 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 Notes and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Noteholders of any such adjustment and/or amount in accordance with General Condition 12.

(c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation 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 Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to any amount payable under the Notes and/or any other relevant term of the Notes 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 Noteholders of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with General Condition 12.

(iv) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the any amount payable under the Notes, and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to such Amount and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the Noteholders of any such adjustment in accordance with General Condition 12.

(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 relevant Final Terms, any adjustments as are made pursuant to the terms and

conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased and in each case the Issuer may make any adjustment(s) to any amount payable under the Notes and/or any other term of the Notes 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 redeem each Note on a date notified by the Issuer to Noteholders in accordance with General Condition 12 at its fair market value as determined by the Calculation Agent as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with General Condition 12.

(vi) Index Modification

(a) If on or prior to the Cut-Off Date in respect of any Determination 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 relevant Final Terms, make any adjustments to the Index, any Relevant Level and/or any other relevant term of the Notes (including, without limitation, any amount payable under the Notes), 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 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 Notes (including, without limitation, any amount payable under the Notes), 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.

(b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of sub-paragraph (i) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (i) above.

(vii) Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with General Condition 12 at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the relevant Additional Disruption Event, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes shall be given to Noteholders in accordance with General Condition 12.

(viii) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with General Condition 12 at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index

Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with General Condition 12.

4. Definitions

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"**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), 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), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

"**Cut-Off Date**" means, in respect of a Determination Date, five Business Days prior to such Determination Date, unless otherwise stated in the applicable Final Terms.

"**Delayed Index Level Event**" means, in respect of any Determination 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 in respect of such Determination 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, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date 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).

"**Hedging Disruption**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor (if applicable) issuing and performing its obligations with respect

to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates shall not be deemed an Increased Cost of Hedging.

"**Index**" or "**Indices**" means the index or indices specified in the relevant 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 Notes 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 relevant Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

"**Related Bond Redemption Event**" means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

"**Relevant Level**" has the meaning given to it in the definition of Delayed Index Level Event.

"**Successor Index**" has the meaning given to it in under Inflation Linked Condition 3 above.

"**Substitute Inflation Index Level**" means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Inflation Linked Condition 3 above.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED NOTES

*The terms and conditions applicable to Commodity Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (i) the General 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, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition

(c) in the case of a Commodity Index, Index Component Disruption Event.

The Calculation Agent shall, as soon as practicable, notify the Issuer and the relevant Agent of 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 copies of any such determinations.

2. Consequences of a Market Disruption Event and Disruption Fallbacks

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent shall apply the applicable Disruption Fallback in respect of the relevant Market Disruption Event in determining the consequences of the Market Disruption Event.

"**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 or the redemption of the Notes 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 take the relevant actions specified below.

2.1 Consequences of a Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content is available, then

(i) the Calculation Agent shall determine if such event has a material effect on the Notes and, if so, shall calculate the relevant amount payable on the Notes using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date, as the case may be, as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity and any other information that in good faith it deems relevant; or

(ii) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being not applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with General Condition 12, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(iii) if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Commodity Disruption Amount**") as soon as practicable following the occurrence of the Market Disruption Event (the "**Calculated Commodity Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Commodity Disruption Amount plus interest accrued from and including the Calculated Commodity Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, its nominal amount.

2.2 Consequences of a Tax Disruption

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Notes and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Notes or, if it determines that such adjustments cannot be made, (ii) on giving notice to Noteholders in accordance with General Condition 12, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12.

2.3 Consequences of a Price Source Disruption and Trading Disruption

If, with respect to the relevant Pricing Date, a Price Source Disruption or Trading Disruption has been in existence in excess of the Specified Maximum Days of Disruption the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Relevant Price for that Pricing Date and each subsequent Pricing Date (if any).

2.4 Consequences of an Index Component Disruption

If the Calculation Agent determines that, on 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) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

The relevant Final Terms may specify Additional Disruption Fallback(s) that will apply.

3. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Notes 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 Notes

is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Notes 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.

4. Knock-in-Event and Knock-out Event**:**

(a) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment 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 Final Terms, then, unless otherwise specified in such Final Terms, any payment 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) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if a Market Disruption Event has occurred on any Knock-in Determination Day or Knock-out Determination Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

(d) 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 Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

(e) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

"**Knock-in Determination Day**" means the date(s) specified as such in the applicable Final Terms;

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

"**Knock-in Event**" means (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (x) the Specified Price as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Level as specified in the applicable Final Terms;

"**Knock-in Level**" means (i) in the case of a single Commodity, the Specified Price or (ii) in case of a Basket of Commodities, the price, in each case 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 Commodity Linked Note Condition 1 and Commodity Linked Note Condition 3;

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"**Knock-out Determination Day**" means the date(s) specified as such in the applicable Final Terms;

"**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 (i) in the case of a single Commodity, that the Specified Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (x) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

"**Knock-out Level**" means (i) in the case of a single Commodity, the Specified Price or (ii) in the case of a Basket of Commodities, the price, in each case 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 Commodity Linked Note Condition 1 and Commodity Linked Note Condition 3;

"**Knock-out Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day; and

"**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.

5. Automatic Early Redemption

(a) If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"**Automatic Early Redemption Amount**" means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Note and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

"**Automatic Early Redemption Event**" means that (i) in the case of a single Commodity, the Specified Price or (ii) in the case of a basket of Commodities, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

"**Automatic Early Redemption Price**" means the price per Commodity 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 Commodity Linked Note Condition 3 above;

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the applicable Final Terms; and

"**Basket Price**" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (i) the Specified Price of such Commodity on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

6. Consequences of an Additional Disruption Event**:**

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem the Notes by giving notice to the Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him, which amount shall be the fair market value of a Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any related underlying hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12.

7. Definitions

Unless otherwise specified in the applicable Final Terms:

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"**Basket of Commodities**" means a basket comprising two or more Commodities or Commodity Indices;

"**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), 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), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

"**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) where the Commodity Reference Price 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 that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time;

(b) in any other case, 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;

"**Commodity Fallback Value**" means 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, such value shall be determined by the Calculation Agent in its sole discretion acting in good faith;

"**Commodity Index**" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities or contracts for the future delivery of a Commodity (each a "**Component**");

"**Commodity Reference Price**" means (i) in respect of any Commodity, the Commodity Reference Price specified in the applicable Final Terms and (ii) in respect of any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms or, if not so specified, the official closing price of such Commodity Index;

"**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 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 Component;

"**Exchange**" means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Component comprising such Commodity Index;

"**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 Commodity Index referred to in that Commodity Reference Price;

"**Hedging Disruption**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor, (if applicable) and/or any of their respective affiliates shall not be deemed an Increased Cost of Hedging.

"**Index 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 Components published on any date between the Effective 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 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;

"**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, 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;

"**Nearby Month**", when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (A) "**First Nearby Month**" means the month of expiration of the first Futures Contract to expire following that Pricing Date; (B) "**Second Nearby Month**" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (C) "**Sixth Nearby Month**" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

"**Price Source**" means the publication (or such other origin of reference, including an Exchange) 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**" means each date specified in the Final Terms or if that is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

"**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 or the price of the Commodity Index, 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;

"**Specified Maximum Days of Disruption**" means two 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 any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms on the Pricing Date;

"**Tax Disruption**" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity or, in the case of a Commodity Index, 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, Component on the Exchange or in any additional futures contract, options contract 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 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 Component, as the case may be, is suspended for the entire Pricing Date; or

(2) all trading in the Futures Contract, Commodity 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 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 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 Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED NOTES

*The terms and conditions applicable to Fund Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Fund Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Fund Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

"**Additional Extraordinary Fund Event**" has the meaning given to it in applicable the Final Terms.

"**Averaging Date**" means, in the case of an ETF, 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 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 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 Notes are Fund Linked Notes relating to a single Fund, 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 Notes are Fund Linked Notes relating to a Fund Basket, 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 Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund 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 Fund Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "**Valuation Date**" below.

(iii) for the purposes of these Terms and 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 Trigger Event**" means that a Substitution Event occurs in respect of one or more Funds comprising the Fund Basket which has or, in the event that a Substitution Event has occurred in respect of more than one Fund, together have, a Weighting in the Fund Basket equal to or greater than the Basket Trigger Level.

"**Basket Trigger Level**" has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent.

"**Calculation Date**" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is a Fund Business Day.

"**Cash Facility**" means:

(a) if Overnight USD LIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the over-night USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for over-night deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the Spread accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or

(b) if Overnight EURIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the European over-night index average rate for deposits in EUR appearing on Reuters page EONIA= (or such other source as the Calculation Agent deems appropriate for displaying EURIBOR for over-night deposit in EUR) as of 7:00 p.m., Central European time, on that day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the Spread accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or

(c) if 3 month USD LIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the 3 Months USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for 3 Months deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the Spread accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or

(d) if 3 month EURIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the 3 Months EUR deposit rate appearing on Reuters page EURIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying the EURIBOR for 3 Months deposits in EUR) as of 11:00 a.m., Central European time, on the day that is two TARGET Settlement Days prior to such day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the Spread accrued on

an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or

(e) such other notional account as may be specified in the applicable Final Terms.

"**Delta-1 Termination Amount**" means an amount determined in accordance with the provisions specified in the applicable Final Terms.

"**Disrupted Day**" means, in the case of an ETF, 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, in the case of an ETF, 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.

"**ETF**" means any Fund specified as to be an Exchange Traded Fund in the applicable Final Terms, or if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

"**Exchange**" means, in the case of an ETF and in relation to a Fund Share, each exchange or quotation system specified as such for such Fund 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 Fund Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Fund Share on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means in the case of an ETF, either (i) in the case of a single Fund Share, Exchange Business Day (Single Fund Share Basis) or (ii) in the case of a Fund Basket, Exchange Business Day (All Fund Shares Basis) or Exchange Business Day (Per Fund 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 Fund Share Basis) shall apply.

"**Exchange Business Day (All Fund Shares Basis)**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day (Per Fund Share Basis)**" means, in respect of a Fund Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Fund Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day (Single Fund Share Basis)**" means, in respect of a Fund Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Disruption**" means, in the case of an ETF, 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 Fund Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Fund Share on any relevant Related Exchange.

"**Final Calculation Date**" means the date specified as such in the applicable Final Terms.

"**Fund**" means the Fund(s), or sub-Fund(s) or ETF(s) specified in the applicable Final Terms.

"**Fund Basket**" means a Basket comprising the Fund Shares (including, if applicable, Fund Shares in one or more ETFs) specified in the applicable Final Terms.

"**Fund Business Day**" has the meaning specified in the applicable Final Terms, or, if not so specified, (i) in respect of a Fund other than an ETF, a day which is (or but for the imposition of any suspension period or similar limitation, would have been) a day on which subscription and redemption orders in respect of the relevant Fund Shares are accepted by the Fund; (ii) in respect of an ETF, each Scheduled Trading Day; (iii) in respect of a Fund Basket not comprised of Fund Shares of ETFs, 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; and (iv) in respect of a Fund Basket comprised of ETFs, a day which is a Scheduled Trading Day in respect of each Fund Share comprising the Fund Basket.

"**Fund Business Day (All Fund Shares Basis)**" means a day on which subscription and redemption orders in respect of each of the Fund Shares comprising the Fund Basket are accepted by the relevant Fund.

"**Fund Business Day (Per Fund Share Basis)**" means, in respect of a Fund Share, a day on which subscription and redemption orders in respect of such Fund Share are accepted by the Fund.

"**Fund Documents**" means, with respect to any Fund Share, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Shares specified in the applicable Final Terms as amended from time to time.

"**Fund Reporting Date**" means, in respect of the Fund Shares and a Calculation Date, the date on which the NAV per Fund Share is reported or published in respect of such Calculation Date.

"**Fund Service Provider**" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any investment advisor or manager, fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent 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, pooled investment vehicle or any other interest specified as such in the applicable Final Terms.

"**Hedge Provider**" means the party (being, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes.

"**Implied Embedded Option Value**" means an amount which may never be less than zero equal to the present value as at the Implied Embedded Option Value Determination Date of any future payments under the Notes determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any Fund Shares by the Hedge Provider, the volatility of the Fund Shares and transaction costs.

"**Implied Embedded Option Value Determination Date**" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary Fund Event.

"**Initial Calculation Date**" means the date specified as such in the applicable Final Terms.

"**NAV Barrier**" has the meaning given to it in the applicable Final Terms.

"**NAV Trigger Event**" means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

"**NAV Trigger Percentage**" means the percentage specified in the applicable Final Terms or, if not so specified, 50%.

"**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.

"**NAV per Fund Share**" means, with respect to the relevant Fund Shares and the Fund Reporting Date relating to such Fund Shares, (i) the net asset value per Fund Share of such Fund Shares as of the relevant Calculation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii), if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the relevant number of Fund Shares.

"**Non-Principal Protected Termination Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount determined by the sum of:

(i) the Implied Embedded Option Value; and

(ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest.

"**Number of NAV Publication Days**" means the number of calendar days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the NAV per Fund Share after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the NAV per Fund Share before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

"**Portfolio**" means the notional portfolio specified in the applicable Final Terms.

"**Principal Protected Termination Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount determined by the sum of:

(i) the Protected Amount;

(ii) the Implied Embedded Option Value; and

(iii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest.

"**Protected Amount**" means the amount specified as such in the applicable Final Terms.

"**Related Exchange**" means, in the case of an ETF and in relation to a Fund Share, each exchange or quotation system specified as such for such Fund 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 Fund 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 Fund 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 Fund Share.

"**Scheduled Trading Day**" means either (i) in the case of a single ETF and in relation to a Fund Share, Scheduled Trading Day (Single Fund Share Basis) or (ii) in the case of a Fund Basket, Scheduled Trading Day (All Fund Shares Basis) or Scheduled Trading Day (Per Fund 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 Fund Share Basis) shall apply.

"**Scheduled Trading Day (All Fund Share Basis)**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s);. "**Scheduled Trading Day (Per Fund Share Basis)**" means, in respect of a Fund Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Fund Share are scheduled to be open for trading during their respective regular trading session(s);

"**Scheduled Trading Day (Single Fund Share Basis)**" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

"**Settlement Price**" means, unless otherwise specified in the applicable Final Terms and subject as referred to in "Valuation Date" or "Averaging Date", as the case may be:

(a) in the case of Fund Linked Notes relating to a Fund Basket comprised of Fund Shares in one or more ETFs and in respect of each Fund Share comprising the Fund Basket, an amount equal to 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 Fund 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 (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 Fund Share whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Fund Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and

(b) in the case of Fund Linked Notes relating to a single ETF, an amount equal to 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 Fund 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 (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 Fund Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Fund 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;

"**Simple Interest**" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

(i) the "Effective Date" is the Implied Embedded Option Value Determination Date;

(ii) the "Termination Date" is the Termination Date;

(iii) the "Floating Rate Payer Payment Date" is the Termination Date;

(iv) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);

(v) the "Designated Maturity" is 3 months;

(vi) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;

(vii) the "Floating Rate Day Count Fraction" is Actual/360;

(viii) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and

(ix) "Compounding" is "Inapplicable",

provided that if the final Compounding Period is less than 3 months "Linear Interpolation" applies.

"**Spread**" is as specified in the applicable Final Forms.

"**Termination Amount**" means an amount in the Settlement Currency calculated as specified in the applicable Final Terms or if not so specified (i) the Delta-1 Termination Amount; (ii) the Principal Protected Termination Amount or (iii) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms.

"**Termination Date**" means (i) the date specified in the applicable Final Terms, or (ii) if Delayed Redemption on the Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Redemption Date.

"**Trading Disruption**" means, in the case of an ETF and in relation to a Fund Share, 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 Fund Share on the Exchange; or (ii) in futures or options contracts relating to the Fund Share on any relevant Related Exchange.

"**Valuation Date**" means, in the case of Fund Linked Notes relating to one or more ETF, the Coupon 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 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 Fund Linked Notes relating to a single Fund Share of an ETF, 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 Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price 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 Fund Linked Notes relating to a basket of Fund Shares of one or more ETFs, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund 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 Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, 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; and

"**Valuation Time**" in the case of an ETF and in relation to a Fund Share means either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms.

"**Zero Coupon Bond**" or "**ZC**" means a notional zero coupon bond with the following characteristics: (i) an issuer of similar creditworthiness and funding costs to the Issuer or where the Issuer is BNPP B.V., the Guarantor; (ii) an issue date scheduled to fall on the Initial Calculation Date; (iii) a maturity date scheduled to fall on the Final Calculation Date; (iv) a nominal amount of either USD1.00 or EUR 1.00 as determined by the Calculation Agent; and (v) a final redemption amount of either USD1.00 or EUR 1.00 as determined by the Calculation Agent.

"**Zero Coupon Curve**" means either (a) where the Settlement Currency is EUR, a notional EUR reference curve calculated by the Calculation Agent in its sole and absolute discretion on the basis of such rates for deposits in EUR as it may determine to be appropriate at 11:00 a.m., Central European Time; or (b) where the Settlement Currency is USD, a notional reference curve calculated by the Calculation Agent in its sole and absolute discretion on the basis of such rates for deposits in USD as it may determine to be appropriate at 11:00 a.m., London Time, in each case adjusted by the Calculation Agent, if applicable to take into account the rates then available for financial institutions with a credit rating for long term debt equal to that of BNPP.

2. Market Disruption in respect of Notes linked to one or more ETFs

If the Fund is an ETF, "**Market Disruption Event**" means, in relation to Notes relating to a single Fund Share or a Fund Basket, in respect of a Fund Share the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 12 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. Knock-in Event and Knock-out Event in respect of ETFs:

(a) If the Fund is an ETF and:

(i) If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable under the relevant 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.

(ii) If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any and/or payment 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.

(iii) 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 at any time during the one hour period that begins or ends at the Valuation Time the price of the Fund Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, 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 price of the Fund Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(iv) 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 price of the Fund Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, 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 price of the Fund Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(b) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

"**Knock-in Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

"**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;

(i) "**Knock-in Event**" means:(in the case of a single Fund Share) that the price of the Fund Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or

(ii) (in the case of a Fund Basket) that the amount determined by the Calculation Agent equal to the sum of the values of each Fund Share as the product of (x) the price of such Fund Share as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Price as specified in the applicable Final Terms;

"**Knock-in Price**" means, (i) in case of a single ETF, the price per Fund Share or (ii) in the case of a Fund Basket comprised of Fund Shares in one or more ETFs, the price, in each case 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 Fund Linked Condition 2 (*Market Disruption*);

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"**Knock-out Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

"**Knock-out Event**" means:

(i) (in the case of a single Fund Share) that the price of the Fund Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or

(ii) (in the case of a Fund Basket) that the amount determined by the Calculation Agent equal to the sum of the values of each Fund Share as the product of (x) the price of such Fund Share as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Price as specified 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 Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"**Knock-out Price**" means, (i) in the case of a single Fund Share, the price per Fund Share or (ii) in the case of a Fund Basket, the price, in each case 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 Fund Linked Condition 2 (Market Disruption); and

"**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.

4. Automatic Early Redemption

(a) If the Fund is an ETF and "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will, subject as provided in Fund Linked Condition 7 (*Redemption/Termination Date Extension*), be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"**Automatic Early Redemption Amount**" means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the denomination of each Note and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the immediately succeeding Business Day, provided that no additional amount shall be payable to Holders as a result of such delay;

"**Automatic Early Redemption Event**" means that (i) in the case of a single Fund Share, the ETF Price or (ii) in the case of a Fund Basket, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the applicable Final Terms;

"**Automatic Early Redemption Price**" means the price per Fund Share specified as such or otherwise determined in the applicable Final Terms;

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

"**Automatic Early Redemption Valuation Date**" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next 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 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";

"**Basket Price**" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Fund Share as the product of (i) the ETF Price in respect of such Fund Share on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

"**ETF Price**" means, in respect of any Automatic Early Redemption Valuation Date, the price per Fund Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

5. Extraordinary Fund Events

"**Extraordinary Fund Event**" means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

(a) the Fund or any Fund Service Provider (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (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 (iii)(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; (iv) 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; (v) 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 (vi) 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 (v) above;

(b) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, any Fund Service Provider or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Notes;

(c) the Fund Service Provider or other agent or entity fulfilling such role, howsoever described in the Fund Documents as at the Issue Date, 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;

(d) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);

(e) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the NAV per Fund Share, or any change in the periodicity of the calculation or the publication of the NAV per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund (including, without limitation, the suspension of the NAV per Fund Share), in each case 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 relate (either alone or in common with other Fund Shares issued by the Fund);

(f) 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 of the Fund;

(g) (i) the occurrence of any event affecting a Fund Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Share; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) 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 relevant Fund Share;

(h) any of the Fund, the Fund Service Providers, howsoever described in the Fund Documents, 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 technical nature and outside the control of the entity responsible for such publication;

(i) (i) any relevant activities of or in relation to the Fund or the Fund Service Providers 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, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund Service Providers, (iii) the Fund is required by a competent authority to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes;

(j) (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), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the Fund otherwise suspends or refuses redemptions 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) as described in the Fund Documents, (v) 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 Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on

redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, (vi) 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 or (vii) the Issuer, the Hedge Provider, or any affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Shares for any reason;

(k) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;

(l) a NAV Trigger Event occurs;

(m) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or a Fund Service Provider which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;

(n) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;

(o) one or more of the key individuals involved with, or having supervision over, the Fund 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;

(p) following the issue by a Fund of a new class or series (howsoever described in the Fund Documents) of shares, the Calculation Agent, determines that such new class or series of shares has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Notes;

(q) where the Notes are linked to a Fund Basket, a Basket Trigger Event;

(r) 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 Notes, (a "**Tax Event**") and, subject as provided below, the Issuer or 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 Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;

(s) in connection with any hedging activities in relation to the Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue 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 Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or 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 Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no means of mitigating the Relevant Event;

(t) in connection with the hedging activities in relation to the Notes, if the cost to the Issuer or the Hedge Provider in relation to the Notes would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss; or

(u) in the case of a Fund which is an ETF, the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant Fund Shares 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).

6. Consequences of a Extraordinary Fund Event

Following the occurrence of an Extraordinary Fund Event including any Additional Extraordinary Fund Event specified in the applicable Final Terms, the Calculation Agent shall, unless otherwise specified in the applicable Final Terms either (i) effect a Substitution (as defined below) if a Substitution Event has occurred or (ii) subject as provided in Fund Linked Condition 7 (Redemption/Termination Date Extension) below, if it is impossible or impracticable to effect a Substitution or a Termination Event has occurred, redeem the Notes by payment of the Termination Amount on the Termination Date.

(a) Substitution

A "**Substitution Event**" shall be deemed to have occurred if any of the Extraordinary Fund Events set out in sub-paragraphs (a) to (p) of Fund Linked Condition 5 or any Additional Extraordinary Fund Event specified in the applicable Final Terms as being a Substitution Event occurs. Following the occurrence of a Substitution Event in respect of any Fund Share, the Calculation Agent shall:

(i) determine the weighted average price at which an investor can redeem the Fund Shares in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable after the Substitution Event;

(ii) for a period of not longer than 14 calendar days after the date of the Substitution Event, use reasonable efforts to substitute the relevant Fund Shares with shares, units or other similar interests in an alternative fund which, in the 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 relevant Fund with an index (or a fund tracking an index) selected by the Calculation Agent in its sole and absolute discretion; and

(iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above (a "**Substitution**"), in its sole and absolute discretion amend such of the terms of the Terms and Conditions and/or the applicable Final Terms as it determines to be appropriate to take account of such Substitution.

(b) Termination

A "**Termination Event**" shall be deemed to have occurred in respect to any Fund or Fund Share if any of the Extraordinary Fund Events set out in sub-paragraphs (q) to (u) of Fund Linked Condition 5 or any Additional Extraordinary Fund Event specified in the applicable Final Terms is specified as being a Termination Event occurs. Upon the occurrence of a Termination Event the Issuer shall redeem all but not some only of the Notes on the Termination Date by payment to each Noteholder of the Termination Amount.

Upon determining the occurrence of an Extraordinary Fund Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 12, giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

7. Redemption/Termination Date Extension

In the case of Cash Settled Notes, if on the Scheduled Redemption Date, the Automatic Early Redemption Date or the 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 notify the Holders in accordance with General Condition 5 that the Redemption Date, the Automatic Early Redemption Date or the Termination 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 to Holders in accordance with General Condition 5 (such notice the "**Delayed Payment Notice**") and redeem the Notes on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Redemption Date**") by payment to each Holder of the Redemption Amount, the Automatic Early Redemption Amount or the Termination Amount, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on the date (the "**Delayed Payment Cut-off Date**") specified in the applicable Final Terms or, if not so specified, the date falling two calendar years following the Scheduled Redemption Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, the Postponed Redemption Date shall be the Delayed Cut-off Date.

In the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided in General Condition 3 accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Redemption Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, (or, if none, the Interest Commencement Date) to (but excluding) the Scheduled Redemption Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, but shall only be obliged to make such payment of interest on the Postponed Redemption Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.

ANNEX 6

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

*The terms and conditions applicable to Credit Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Credit Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Credit Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. General

(a) Credit Terms

The Final Terms shall specify:

(i) the type of Credit Linked Notes, being Single Reference Entity CLNs, Nth-to-Default CLNs, Linear Basket CLNs or such other type as may be specified in the Final Terms;

(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 Scheduled Maturity Date;

(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 Terms shall apply with respect to such Reference Entity in accordance with the Physical Settlement Matrix as it applies to such Transaction Type, as though such Physical Settlement Matrix were set out in full in the Final Terms.

(c) Additional Provisions

If, in accordance with the specified Transaction Type or otherwise, any Additional Provisions are applicable, these Credit Linked Conditions shall take effect subject to the provisions thereof.

(d) Linear Basket CLNs

If the Credit Linked Notes are Linear Basket CLNs, then the provisions of these Credit Linked Conditions relating to redemption of Credit Linked Notes following satisfaction of Conditions to Settlement, extension of maturity of Credit Linked Notes on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following the Scheduled Maturity Date shall apply separately with respect to each Reference Entity and a principal amount of each Credit Linked Note corresponding to the Reference Entity Notional Amount divided by the number of Credit Linked Notes 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 Note on the related CLN Maturity Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the outstanding principal amount of such Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

(i) the Credit Linked Notes have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Linked Conditions 2(b) or (c)); or

(ii) the Conditions to Settlement have been satisfied, in which event the Issuer shall redeem the Credit Linked Notes 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, then each Credit Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) will be subject to redemption:

(i) if the applicable Settlement Method is Auction Settlement, by payment of the its *pro rata* share 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 Issuer so elects on or prior to a related Valuation Date or Delivery Date, redeem the Credit Linked Notes in accordance with this Credit Linked Condition 2(b)(i) by Auction Settlement;

(ii) if the applicable Settlement Method is Physical Settlement, by Delivery of its *pro rata* share of the Deliverable Obligations specified in the Notice of Physical Settlement and payment of its *pro rata* share of any Physical Settlement Adjustment Rounding Amount, in each case in accordance with and subject to Credit Linked Condition 4; and

(iii) if the applicable Settlement Method is Cash Settlement, by payment of its *pro rata* share of the Cash Settlement Amount on the Cash Settlement Date.

Where the Notes are Nth-to-Default CLNs and the Conditions to Settlement are satisfied with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine in its sole discretion 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 may give notice to the Noteholders in accordance with General Condition 13 and redeem all but not some only of the Credit Linked Notes at the Early Redemption Amount on the Merger Event Redemption Date.

(d) Suspension of Obligations

If a Credit Event Resolution Request Date occurs in relation to any Reference Entity then, unless the Issuer otherwise elects by notice to the Calculation Agent and the Noteholders, any obligation of the Issuer to redeem any Credit Linked Note (including pursuant to Credit Linked Condition 2(b)) or pay any amount of interest which would otherwise be due thereon shall, insofar as it relates to the relevant Reference Entity, 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 paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date"; or

(ii) not to determine such matters.

During such suspension period, the Issuer shall not be obliged to, nor entitled to, take any action in connection with the settlement of the Credit Linked Notes, in each case insofar as they relate to the relevant Reference Entity. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved:

(A) the matters described in paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date"; or

(B) not to determine such matters,

such suspension shall terminate and any obligations so suspended shall resume on the basis of such Resolution on the CLN Business Day following such public announcement by ISDA, with the Issuer 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 the date determined by the Calculation Agent, in its sole discretion but 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(d).

(e) Miscellaneous provisions relating to Redemption

If the Credit Linked Notes are partially redeemed, the relevant Credit Linked Notes or, if the Credit Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption. Upon such partial redemption, the outstanding principal amount of each Note shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption of any Credit Linked Note in accordance with Credit Linked Condition 3, 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 Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) shall cease to accrue with effect from and including either:

(i) the Interest Payment 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 Final Terms, such Event Determination Date.

(b) Interest following Scheduled Maturity

Subject always to Credit Linked Condition 3(a), if an Extension Notice has been given, each Credit Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) which is outstanding following the Scheduled Maturity Date shall continue to bear interest from (and including) the Scheduled Maturity Date to (but excluding) the related CLN Maturity Date at a rate of interest equal to either:

(i) the rate that BNP Paribas would pay to an independent customer in respect of overnight deposits in the currency of the Credit Linked Notes; or

(ii) such other rate as shall be specified for such purpose in the Final Terms.

(c) Interest Payment Dates

If the Credit Linked Notes are redeemed pursuant to the General Conditions or these Credit Linked Conditions, the Scheduled Maturity Date, the CLN Maturity Date (if not the Scheduled Maturity Date), 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 Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit Linked Note (or, as applicable thereof) on such Interest Payment Date.

4. Physical Settlement

(a) Delivery and payment

If Physical Settlement applies to any Credit Linked Note, then, upon the satisfaction of the related Conditions to Settlement, the Issuer shall, on or prior to the related Physical Settlement Date and subject to Credit Linked Condition 4(b), 4(c) and 4(f), redeem such Credit Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof), respectively, by:

(i) Delivering a *pro rata* share of the Deliverable Obligations specified in the related Notice of Physical Settlement; and

(ii) paying such Note's *pro rata* portion of the related Physical Settlement Adjustment Rounding Amount.

(b) Partial Cash Settlement Due to Impossibility or Illegality

If, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to Deliver or, due to an event beyond the control of the Issuer or any Noteholder, it is impossible or illegal for the Issuer or the relevant Noteholder to accept Delivery of any of the Deliverable Obligations specified in a Notice of Physical Settlement on the related Physical Settlement Date, then on such date the Issuer shall:

(i) Deliver any of the Deliverable Obligations specified in the Notice of Physical Settlement for which it is possible and legal to take Delivery; and

(ii) if any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the Issuer shall pay the Noteholders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the Noteholders on the Partial Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer does not Deliver any Deliverable Obligation specified in a Notice of Physical Settlement other than as a result of an event or circumstance contemplated in Credit 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 Notes and the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Extended Physical Settlement Date.

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then Partial Cash Settlement shall apply with respect to such Deliverable Obligations and the Issuer shall pay to the Noteholders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the Noteholders on the Partial Cash Settlement Date.

(d) Aggregation and Rounding

Where a Noteholder holds Credit Linked Notes in an aggregate nominal amount greater than the Specified Denomination, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit Linked Notes shall be aggregated for the purposes of this provision. If the nominal amount of the Deliverable Obligations to be Delivered in respect of each Credit Linked Note 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 nominal amount 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 Note 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 Issuer shall, in its sole discretion, 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 any of its affiliates and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the relevant Noteholders, and if any Stamp Tax is payable in connection with the Delivery of any Deliverable Obligations, payment thereof shall be made by the relevant Noteholders; and

(ii) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Noteholders or the Issuer, as appropriate, determined in accordance with then current market conventions.

Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Noteholders have been paid to the satisfaction of the Issuer.

(f) Asset Transfer Notice

A Noteholder 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 Note and delivered an Asset Transfer Notice in accordance with General Condition 4(b). For so long as the Credit Linked Notes are held in any clearing system, any communication from such clearing system on behalf of the Noteholder containing the information required in an Asset Transfer Notice will be treated as an Asset Transfer Notice. For as long as Bearer Notes are represented by a Global Note, surrender of Credit Linked Notes for such purpose will be effected by presentation of the Global Note and its endorsement to note the principal amount of Credit Linked Notes 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 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;

(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 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 applicable 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 the applicable 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 "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 Notes are Single Reference Entity CLNs and a Succession Event has occurred and more than one Successor has been identified, each Credit Linked Note will be deemed for all purposes to have been divided into the same number of new Credit Linked Notes as there are Successors, all in accordance with the Credit Derivatives Definitions and where each Successor will be, as applicable, a Reference Entity for the purposes of one of the new Credit Linked Notes, with the following terms:

(i) each Successor will be a Reference Entity for the purposes of one of the deemed new Credit Linked Notes;

(ii) in respect of each deemed Credit Linked Notes, 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 Linked Notes will be replicated in each deemed new Credit Linked Note except to the extent that modification is required, as determined by the Calculation Agent in its sole discretion, to preserve the economic effects of the original Credit Linked Notes in the deemed new Credit Linked Notes (considered in the aggregate).

(b) Nth-to-Default CLNs

Where the Notes are Nth-to-Default CLNs:

(i) where a Succession Event has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) and more than one Successor has been identified, each Credit Linked Note will be deemed for all purposes to have been divided into a

number of new Credit Linked Notes equal to the number of Successors. Each such new Credit Linked Note 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 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:

(A) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and

(B) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.

(c) Linear Basket CLNs

Where the Credit Linked Notes are Linear Basket CLNs, 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; and

(iv) the Calculation Agent may, at its discretion, make any modifications to the terms of the Notes which may be required to preserve the economic effects of the Notes prior to the Succession Event (considered in the aggregate).

(d) Substitute Reference Obligations

Where:

(i) a Reference Obligation is specified in the applicable Final Terms;

(ii) one or more Successors to the Reference Entity have been identified; and

(iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation".

7. Provisions relating to LPN Reference Entities

The following provisions shall apply if the relevant Final Terms provide that "LPN Reference Entity" is applicable:

(a) Multiple Holder Obligation will not be applicable with respect to any Reference Obligation and any Underlying Loan;

(b) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, and in particular, that the obligation is not an obligation of the Reference Entity; and

(c) each Reference Obligations 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

Where Restructuring is an applicable Credit Event in relation to any Reference Entity, unless otherwise specified in the Final Terms, upon the occurrence of a Restructuring Credit Event in relation to such Reference Entity:

(i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Exercise Amount**");

(ii) the provisions of these Credit Linked Conditions shall be deemed to apply to an aggregate outstanding principal 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 Reference Entity Notional Amount.

In the case of an Nth-to-Default CLN, 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 Linked Notes are deemed to have been divided pursuant to Credit Linked Condition 8).

If any Credit Linked Note is subject to partial redemption in accordance with this Credit Linked Condition 8, the relevant Credit Linked Note or, if the Credit Linked Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

(b) Restructuring Maturity Limitation and Fully Transferable Obligation

If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in a Notice of Physical Settlement or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio only if it:

(i) is a Fully Transferable Obligation; and

(ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

(c) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable " is specified in the Final Terms or is applicable in respect of the Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in a Notice of Physical Settlement or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio, only if it:

(i) is a Conditionally Transferable Obligation; and

(ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason) or is not received by the Physical Settlement Date, the Issuer shall promptly notify the relevant Noteholders of such refusal (or deemed refusal) and:

(x) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and

(y) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is three CLN Business Days after the Physical Settlement Date, then the Issuer will redeem the Notes which have not been Delivered by payment of the relevant Partial Cash Settlement Amount to such Noteholder.

(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) to (c) 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 paragraph (b) of the definition of "Multiple Holder Obligation".

9. Miscellaneous Provisions relating to Credit Linked Notes

(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 and the Noteholders. In performing its duties pursuant to the Credit Linked Notes, the Calculation Agent shall act in its sole and absolute discretion and, unless otherwise expressly stated, 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 Notes including, without limitation, the giving of any notice by it to any person, shall not

affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor 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) Change in Standard Terms and Market Conventions

If the Calculation Agent determines, acting reasonably, that from time to time there has been a change in prevailing market standard terms or market trading conventions, which change affects any Hedge Transaction such that the terms of such Hedge Transaction are or may thenceforth be inconsistent with corresponding provisions of these Credit Linked Conditions, then it may modify these Credit Linked Conditions to the extent necessary to preserve such consistency. The Calculation Agent shall notify the Issuer and the Noteholders as soon as reasonably practicable upon making any such determination and/or modification.

(c) Delivery of Notices

As soon as reasonably practicable after receiving a Credit Event Notice or Notice of Publicly Available Information from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs, the Noteholders in accordance with General Condition 13. 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.

10. Definitions

In these Credit Linked Conditions, unless otherwise specified in the applicable Final Terms:

"**Accelerated or Matured**" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

"**Accreted Amount**" means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable in the relevant Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (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. 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 Event**" means an additional credit event as defined in the Final Terms.

"**Additional LPN**" means any bond issued in the form of a loan participation note (an "**LPN**") by an entity (the "**LPN Issuer**") for the sole purpose of providing funds for the LPN Issuer to:

(a) finance a loan to the Reference Entity (the "**Underlying Loan**"); or

(b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the "**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-credit derivatives counter 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.

"**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 relevant Credit Derivatives Auction Settlement Terms.

"**Auction Cancellation Date**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Auction Covered Transaction**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Auction Final Price**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Auction Final Price Determination Date**" has the meaning set forth in the relevant Credit Derivatives 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 = Min 0, [(A x B) – C]

Where:

"**A**" means the relevant Auction Final Price;

"**B**" means the Calculation Amount; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero),

"**Auction Settlement Amount Notice**" means a notice given by the Issuer to the Calculation Agent and the Noteholders in accordance with General Condition 12 within 30 CLN Business Days from the Auction Final Price Determination Date, specifying the Auction Settlement Amount.

"**Auction Settlement Date**" means the date that is three Business Days following delivery by the Issuer of the Auction Settlement Notice to the Calculation Agent and the Noteholders in accordance with General Condition 12.

"**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 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 corresponding to a Transaction Type in respect of which "60 CLN Business Days Cap on Settlement" is expressed as applying in the Physical Settlement Matrix.

"**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:

Cash Settlement Amount = Min 0, [(A x B) – C]

Where:

"**A**" means the Calculation Amount;

"**B**" means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero),

provided that in no event shall the Cash Settlement Amount be less than zero.

"**Cash Settlement Date**" means 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.

"**CLN Business Day**" means, in respect of any Reference Entity, a day on which commercial banking and foreign exchange markets are generally open to settle payments in the place or places specified for that purpose with respect to such Reference Entity, a TARGET Settlement Day (if "TARGET Settlement Day" is specified for that purpose, or, if a place or places are not so specified, a day on which commercial banks and foreign exchange markets are generally open to settlement payments in the jurisdiction of the currency of the related Reference Entity Notional Amount). Business Days referenced in the Physical Settlement Matrix shall be deemed to be CLN Business Days.

"**CLN Dealer**" means a dealer in obligations of the type of Obligation(s) (as the case may be) for which quotations are to be obtained (as selected by the Calculation Agent) and may include the Calculation Agent or its Affiliate and a Noteholder or its Affiliate or as may otherwise be specified in the Final Terms.

"**CLN Maturity Date**" means either:

(a) the Scheduled Maturity Date; or

(b) where the Issuer delivers an Extension Notice in relation to a Reference Entity to the Calculation Agent and the Noteholders at or prior to 11:00 a.m. (London time) on the date falling two London Business Days prior to the Scheduled Maturity Date, either:

  (i) the date falling two Business Days after the expiry of the Notice Delivery Period; 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 Issuer by written notice to the Calculation Agent and the Noteholders, 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.

"**Conditionally Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of "Conditionally Transferable Obligation", such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor (if applicable).

"**Conditions to Settlement**" means, in relation to any Reference Entity:

(a) the occurrence of an Event Determination Date; and

(b) where the applicable Settlement Method is Physical Settlement (or Physical Settlement is applicable as the Fallback Settlement Method), the delivery of the Notice of Physical Settlement on or following the occurrence of an Event Determination Date,

to the extent that, unless otherwise elected by the Issuer by written notice to the Calculation Agent and the Noteholders, such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, a Delivery Date or the CLN Maturity Date, as applicable.

"**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans.

"**Convertible Obligation**" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"**Credit Derivatives Auction Settlement Terms**" means, in relation to any Reference Entity, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, with respect to the relevant Reference Entity, which may be amended in accordance with the Rules from time to time, for which such credit derivative transaction is an Auction Covered Transaction.

"**Credit Derivatives Definitions**" means the 2003 ISDA Credit Derivatives Definitions, as published by ISDA as supplemented by the March 2009 Supplement and, in addition, if Additional Provisions are specified to be applicable, 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. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Event Notice**" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. 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 paragraphs (a) and (b) above.

"**Currency Amount**" means with respect to:

(a) a Deliverable Obligation specified in a Notice of Physical Settlement 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 Credit Position 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 Resolution**" 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 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 Noteholders, 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 Noteholders, as the case may be, and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "**Deliver**" means to Deliver both the Qualifying Guarantee and the Underlying Obligation. "**Delivery**" and "**Delivered**" will be construed accordingly.

In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time. Notwithstanding the previous sentence, in the case of a Loan, the Issuer and each Noteholder agrees to comply, for the purposes of the settlement of the Credit Linked Notes with the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. The Issuer agrees, and each Noteholder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Noteholder shall be permitted to request that any party take nor shall the Issuer or any Noteholder 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(a), (b) and (c):

(a) each obligation of a Reference Entity (either directly, or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable with respect thereto, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category, and, subject to Credit 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, as at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any other obligation of a Reference Entity specified as such in the Final Terms.

"**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan as specified in relation to a Reference Entity. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only.

"**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

"**Delivery Date**" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

"**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either:

(a) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or member of the relevant lending syndicate), or;

(b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

"**Domestic Currency**" means the currency specified as such in relation to a Reference Entity and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of;

(a) the relevant Reference Entity, if the Reference Entity is a Sovereign; or

(b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign.

In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

"**Downstream Affiliate**" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

"**Due and Payable Amount**" means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

"**Eligible Transferee**" means each of the following:

(a) each of:

(i) any bank or other financial institution;

(ii) an insurance or reinsurance company;

(iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(ii) 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 (1) has total assets of at least U.S.$ 100 million or (2) 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 (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.

"**Equity Securities**" means:

(a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and

(b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"**Escrow**" means, if Escrow is specified in relation to a Reference Entity as applicable, either the Issuer or any Noteholder may require that physical settlement take place through the use of an Escrow Agent (in the case of any such request by a Noteholder, solely in relation to the Notes held by such Noteholder). Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the relevant Noteholder.

"**Escrow Agent**" means, unless otherwise specified in the Final Terms, an independent third party financial institution specified by the Issuer prior to the Physical Settlement Date, subject to the terms of the escrow arrangement.

"**Event Determination Date**" means, in respect of any Credit Event either:

(a) subject to paragraph (b) below, the first date on which a Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, a Notice of Publicly Available Information is delivered by the Issuer to the Calculation Agent and the Noteholder and are effective during:

  (i) the Notice Delivery Period; or

  (ii) the period from, and including, the day on which ISDA publicly announces that either:

    (A) the relevant Credit Derivatives Determinations Committee has Resolved the matters described in paragraph (b) of the definition of "Event Determination Date Conditions"; or

    (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date",

  in either case relating to a Credit Event Resolution Request Date that occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) to, and including, the date that is 15 Business Days thereafter; or

(b) unless otherwise elected by the Issuer by written notice to the Calculation Agent and the Noteholders, the Credit Event Resolution Request Date, if each of the Event Determination Date Conditions is satisfied, provided that:

    (A) no Physical Settlement Date, if applicable, or Cash Settlement Date has occurred in respect of the relevant Reference Entity on or prior to the date on which each of the Event Determination Date Conditions is satisfied;

    (B) if any Valuation Date or Delivery Date, as applicable, has occurred in respect of the relevant Reference Entity as of the date on which each of the Event Determination Date Conditions is satisfied, each of the Event Determination Date Conditions shall be deemed satisfied 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

(C) no Event Determination Date has already been determined under paragraph (a)(i) hereof in circumstances where Restructuring is the only Credit Event specified in a Credit Event Notice delivered by Buyer.

If, pursuant to the above, different Event Determination Dates have been determined with respect to different portions of the relevant Reference Entity Notional Amount, the rights and obligations of the parties shall, with effect from each such Event Determination Date, be construed as if the parties had entered into a separate credit derivative transaction with respect to each such portion.

Notwithstanding the foregoing, unless otherwise elected by the Issuer by written notice to the Calculation Agent and the Noteholders, 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, ISDA publicly announces prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or if earlier, a Delivery Date), or the Termination Date, as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that such an event does not constitute a Credit Event for the purposes of any Hedge Transaction with respect to the relevant Reference Entity or Obligation thereof.

"**Event Determination Date Conditions"** means, in relation to any Reference Entity, the satisfaction of the following conditions:

(a) the Credit Event Resolution Request Date occurs on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date); and

(b) ISDA publicly announces (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event for purposes of any Hedge Transaction has occurred with respect to the relevant Reference Entity or Obligation thereof and that such event has 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)).

"**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).

"**Extended Physical Settlement Date**" means:

(a) in the case of a Capped Reference Entity, the 60th CLN Business Day following the Physical Settlement Date, provided that if, under the terms of a Hedge Transaction, any Bonds or Loans comprising part of the relevant Deliverable Obligations (the "**Original Bonds**" and "**Original Loans**", respectively) may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling three CLN

Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten CLN 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 CLN Business Days or ten CLN Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may determine, in its absolute discretion; and

(b) in the case of a Non-Capped Reference Entity, such date as the Calculation Agent may determine in its absolute discretion, provided that such date falls no later than the 120th CLN Business Day following the Physical Settlement Date or, in the absence of such determination, such 120th CLN Business Day.

"**Extension Date**" means the latest of:

(a) the Scheduled Maturity 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 Issuer delivers an Extension Notice under paragraph (b) of the definition thereof;

(c) the Repudiation/Moratorium Evaluation Date if:

(i) Repudiation/Moratorium is an applicable Credit Event in relation to any Reference Entity; and

(ii) the Issuer delivers an Extension Notice under paragraph (c) of the definition thereof.

"**Extension Notice**" means a notice from the Issuer to the Calculation Agent and the Noteholders giving notice of the following in relation to a Reference Entity:

(a) without prejudice to paragraphs (b), (c) or (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Maturity Date; or

(b) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(d) that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

"**Failure to Pay**" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

"**Fallback Settlement Event**" means:

(a) an Auction Cancellation Date occurs;

(b) a No Auction Announcement Date occurs;

(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 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.

"**Final Price Calculation Date**" means with respect to a particular Valuation Obligation included in the Valuation Obligations Portfolio, the date on which the Final Price in respect of such Valuation Obligation is determined.

"**First Ranking Interest**" means a charge, security interest (or other type of interest having similar effect) (an "**Interest**") which is expressed as being "first ranking", "first priority", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer.

"**Full Quotation**" means, in accordance with the bid quotations provided by the CLN Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a CLN Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or, as the case may be, Undeliverable Obligations with an Outstanding Principal Balance equal to the Quotation Amount.

"**Fully Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Fully Transferable Obligation". For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of "Fully Transferable Obligation", such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor (as applicable).

"**Governmental Authority**" means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the

financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

"**Grace Period**" means:

(a) subject to 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 Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date(determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, thirty calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified in relation to the relevant Reference Entity in the Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

"**Grace Period Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

"**Grace Period Extension Date**" means, if:

(a) Grace Period Extension is specified as applicable in relation to a Reference Entity in the Final Terms; and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)),

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

"**Hedge Disruption Event**" means the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction.

"**Hedge Transaction**" means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Credit Linked Notes.

"**Indicative Quotation**" shall mean each bid quotation obtained from a CLN 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 CLN Dealer’s reasonable assessment of the price of such Undeliverable Obligation based on such factors as such CLN Dealer may consider relevant, which may include historical prices and recovery rates.

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor thereto).

"**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 CLN Business Days after the Physical Settlement Date.

"**Linear Basket CLN**" means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of a basket of Reference Entities.

"**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 Listing Deliverable Obligation Characteristics 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 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.

"**March 2009 Supplement**" means the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement dated 12 March 2009, as published by ISDA.

"**Maximum Maturity**" means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than;

(a) the period specified in relation to a Reference Entity or;

(b) if no such period is so specified, 30 years.

"**Merger Event**" means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date the Issuer, the Guarantor (if applicable) or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity, the Issuer or the Guarantor as applicable, or (if applicable) the Guarantor and a Reference Entity or the Issuer and a Reference Entity become affiliates.

"**Merger Event Redemption Date**" means the date specified as such in the applicable Final Terms.

"**Minimum Quotation Amount**" means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of:

(a) U.S.$ 1,000,000 (or its equivalent in the relevant Obligation Currency); and

(b) the Quotation Amount.

"**Modified Eligible Transferee**" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

"**Modified Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the date that is the later of (x) the Scheduled Maturity Date and (y) 60 months

following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations.

"**Multiple Holder Obligation**" means an Obligation that:

(a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other; and

(b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above.

"**N**" or "**Nth**" means, where the relevant Final Terms specify that "Nth-to-Default CLN" 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 applicable Credit Derivatives 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) Credit Derivatives Auction Settlement Terms will be published with respect to such Reference Entity and Credit Event but any Hedge Transaction will not be an Auction Covered Transaction for purposes of any such Credit Derivatives Auction Settlement Terms; 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.

"**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 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 that is 15 CLN Business Days (or such other number of days as may be specified in the applicable Final Terms) after the Extension Date.

"**Notice of Physical Settlement**" means a notice delivered from the Issuer to the Calculation Agent and the Noteholders within 60 CLN Business Days of the related Event Determination Date, that:

(a) irrevocably confirms that the Issuer will redeem the Credit Linked Notes by physical delivery in accordance with Credit Linked Condition 4; and

(b) contains a detailed description of the Deliverable Obligations that the Issuer will Deliver to or to the order of the Noteholders, including the Outstanding Amount.

The Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on the Settlement Valuation Date equal to the Reference Entity Notional Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment.

The Issuer may, from time to time, notify the Calculation Agent and the Noteholders in accordance with General Condition 12 (each such notification, a "**NOPS Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or specified in 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. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that the Issuer will, subject to Credit Linked Condition 4, Deliver to the Noteholders (each, a "**Replacement Deliverable Obligation**") and shall also specify 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 (with respect to each such Deliverable Obligation, 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 related Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or specified in any NOPS Amendment Notice, as applicable, by notice to the Calculation Agent and the Noteholders in accordance with General Condition 12 prior to the relevant Delivery Date; it being understood that such notice of correction shall not constitute a NOPS Amendment Notice.

"**Notice of Publicly Available Information**" means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both 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.

"**Nth-to-Default CLN**" means any First-to-Default CLN or any other nth-to-default Credit Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities.

"**Obligation**" means:

(a) each obligation of a Reference Entity (either directly, as a 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) 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 as 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 relation to a Reference Entity.

"**Obligation Currency**" means the currency or currencies in which an Obligation is denominated.

"**Obligation Default**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Officer's Certification**" means a certificate signed by a director (or other substantively equivalent title) of the Issuer which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

"**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.

"**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.

"**Partial Cash Settlement Date**" means, the date falling three CLN 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.

"**Permitted Currency**" means:

(a) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership); or

(b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long term debt rating of either "AAA" or higher assigned to it by S&P, "Aaa" or higher assigned to it by Moody's or "AAA" or higher assigned to it by Fitch Ratings.

"**Physical Settlement Adjustment**" means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement, by an amount of Deliverable Obligations having a liquidation value equal to the Unwind Costs (only if positive) rounded upwards to the nearest whole denomination of a Deliverable Obligation, such amount to be determined by the Calculation Agent.

"**Physical Settlement Adjustment Rounding Amount**" means an amount (if any) equal to the difference between the absolute value of the Physical Settlement Adjustment and the liquidation value of such whole number of Deliverable Obligations as are not required to be Delivered by the Issuer by way of compensation for any Unwind Costs.

"**Physical Settlement Date**" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement as specified in relation to a Reference Entity as the Calculation Agent may designate in its discretion, provided that if the Final Price has not been determined by the CLN Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the first CLN 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 Issue 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(d), the number of CLN Business Days specified as such in relation to a Reference Entity or, if a number of CLN Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of CLN Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"**Potential Cash Settlement Event**" means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, but excluding markets conditions or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Noteholder to give the Issuer details of accounts for

settlement; or a failure of the Noteholder to open or procure the opening of such accounts or if the Noteholders are unable to accept Delivery of the portfolio of Deliverable Obligations for any other reason).

"**Potential Failure to Pay**" means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

"**Potential Repudiation/Moratorium**" means the occurrence of an event described in paragraph (a) of the definition of "Repudiation/Moratorium".

"**Public Source**" means each source of Publicly Available Information specified as such in the applicable Final Terms (or, if a source is not so specified in the Final Terms, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

"**Publicly Available Information**" means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice has occurred and which:

  (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer, the Guarantor (if applicable) or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the issuer, the guarantor of the Obligation (if applicable) or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation;

  (ii) is information received from or published by (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation; or

  (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of "Bankruptcy" against or by a Reference Entity; or

  (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

(b) In the event that the Calculation Agent is:

  (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation and;

  (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the Issuer an Officer's Certification.

(c) In relation to any information of any type described in paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the

confidentiality of such information and that the party disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

(d) Publicly Available Information need not state:

(i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and

(ii) that such occurrence:

(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 obligation (the "**Underlying Obligation**") for which another party is the obligor (the "**Underlying Obligor**"). Qualifying Guarantees shall exclude any arrangement;

(i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement; or

(ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

"**Qualifying Participation Seller**" means any participation seller that meets the requirements specified in relation to a Reference Entity. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"**Quotation**" means, in respect of Reference Obligations, Deliverable Obligations and Undeliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more CLN Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same CLN Business Day within three CLN Business Days of a Relevant Valuation Date, then on the next following CLN Business Day (and, if necessary, on each CLN Business Day thereafter until the tenth CLN Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more CLN 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 CLN Business Day on or prior to the tenth CLN Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth CLN Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from CLN Dealers at the Valuation Time on such tenth CLN 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) (i) If "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;

(ii) If "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) If 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 specification or 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 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.

Reference Entity" or "**Reference Entities**" means the reference entity or reference entities specified in the Final Terms. 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 Notes, as the terms of which may be modified pursuant to Credit Linked Condition 6 (**Succession Event**).

"**Reference Entity Notional Amount**" means the amount in which the Issuer has purchased credit protection in respect of one or more Reference Entities, as set out in the Final Terms.

"**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 to Reference Obligations Only.

"**Relevant Obligations**" means:

(a) subject to paragraph (b) below, the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case; and

(b) where "LPN Reference Entity" is applicable to a Reference Entity, each of the obligations listed as a Reference Obligation of such Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available at http://www.markit.com/marketing/services.php, any Additional LPN, and each Additional Obligation.

"**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 Valuation Date**" means the Settlement Valuation Date, Valuation Date or Undeliverable Valuation Date, as the case may be.

"**Replacement Reference Entity**" means an entity selected by the Calculation Agent in its discretion 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 Limited, 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 Noteholders, 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 Noteholders, 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 Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix) Tokyo time)):

(a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of:

(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 a Restructuring that is the subject of a Credit Event Notice has occurred.

"**Restructuring**" means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

(b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:

(i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(ii) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) (inclusive) above due to an administrative adjustment,

accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(iii) the occurrence of, agreement to or announcement of any of the events described (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 Maturity Limitation Date**" means the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity Date or later than thirty months following the Scheduled Maturity Date and if it is, it shall be deemed to be the Scheduled Maturity Date or thirty months following the Scheduled Maturity Date, as the case may be.

"**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 published by ISDA, as amended from time to time in accordance with the terms thereof.

"**Scheduled 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 unless otherwise specified in the applicable Final Terms.

"**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 CLN 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 CLN Business Day prior to the Physical Settlement Date, the Settlement Valuation Date shall be the date which is three CLN Business Days after such Notice of Physical Settlement is given.

"**Single Reference Entity CLN**" means Credit Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity.

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including without limiting the foregoing, the central bank) thereof.

"**Sovereign Agency**" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"**Sovereign Restructured Deliverable Obligation**" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in relation to a Reference Entity, and, subject as set out in the definition of "Deliverable Obligation Category", having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

"**Specified Currency**" means, for the purposes of determining compliance with the Obligations Characteristics and Deliverable Obligation Characteristics only an obligation that is payable in the currency or currencies specified as such in relation to a Reference Entity (or, if Specified Currency is specified in the Final Terms and no currency is so specified, any of 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, which currencies may be referred to collectively as the "Standard Specified Currencies").

"**Subordination**" means, with respect to an obligation (the "**Subordinated Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**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 Issuer's option, an Obligation that ranks senior) in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date);

(ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Credit Linked Notes; and

(iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in relation to a Reference Entity, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

(c) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(d) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(e) If:

(i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or

(ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to the Credit Linked Notes, 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, 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 clause (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 applicable to the relevant Reference Entity (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 DC Resolution of the relevant Credit Derivatives Determinations Committee with respect to whether or not a Succession Event has occurred, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(b) otherwise, the date that is 90 calendar days prior to the earlier of:

(i) the date on which the Issuer and/or the Calculation Agent 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 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 Issuer and/or the Calculation Agent determines, not more than fifteen CLN 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; 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 paragraph (a) above and 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.

In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (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 parties of such calculation, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer and the Noteholders of such calculation.

For the purposes of this definition of "Successor" and the definition of "Succession Event", "**succeed**" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) as a result of an obligation exchange or otherwise and such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations).

"**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.

"**Trade Date**" means the date specified as such in the applicable Final Terms.

"**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 Noteholder 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 CLN Business Days after the Latest Permissible Physical Settlement Date or, as applicable, the Extended Physical Settlement Date.

"**Underlying Finance Instrument**" and "**Underlying Loan**" have the meanings given to them in the definition of "Additional LPN".

"**Underlying Obligation**" and "**Underlying Obligor**" have the meanings given to them in the definition of "Qualifying Guarantee".

"**Unwind Costs**" means the amount specified in the applicable Final Terms or if "**Standard Unwind Costs**" are specified in the applicable Final Terms, an amount, subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Credit Linked Notes and the related termination, settlement or re-establishment of any Hedge Transaction, such amount to be apportioned *pro rata* amongst each nominal amount of Credit Linked Notes equal to the Calculation Amount set out in the applicable Final Terms.

"**Valuation Date**" means:

(a) any CLN Business Day falling between the 55th and the 122nd CLN Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later CLN 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 CLN Business Day falling between the 55th and the 122nd CLN Business Day following the

Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later CLN Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

(c) if Partial Cash Settlement applies, the date which is up to fifteen CLN Business Days after the Latest Permissible Physical Settlement Date or, as applicable the Extended Physical Settlement Date (as selected by the Calculation Agent in its sole and absolute discretion).

"**Valuation Obligation**" means in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit 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 Issuer in its sole and absolute discretion on the applicable Valuation Date, provided that, for such purpose:

(a) any reference to the words "Delivery Date" in the definitions of "Conditionally Transferable Obligation", "Deliverable Obligation", within any of the terms comprising "Deliverable Obligation Category" or "Deliverable Obligation Characteristic" and "Due and Payable Amount" shall be deemed to be a reference to the words "Relevant Valuation Date";

(b) the deletion of the words "being Delivered" in the definition of "Deliverable Obligation"; and

(c) the deletion of the whole of the second paragraph within the definition of "Not Contingent" and replacing it with the following:

"If an Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Obligation may only be included in the Valuation Obligations Portfolio if the rights referred to in clauses (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, if the Issuer selects more than one Valuation Obligation with respect to a Reference Entity, then the Issuer shall in its sole and absolute discretion apportion to each such Valuation Obligation an Outstanding Principal Balance (or 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 discretion), which in aggregate 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 Outstanding Principal Balance of each such Valuation Obligation.

"**Weighted Average Quotation**" means, in accordance with the bid quotations provided by the CLN Dealers, the weighted average of firm quotations obtained from the CLN 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.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR GDR/ADR LINKED NOTES

*The terms and conditions applicable to GDR/ADR Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**GDR/ADR Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the GDR/ADR Linked Conditions, the GDR/ADR Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the GDR/ADR Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Share Event or Additional Disruption Event in Respect of GDR/ADR Linked Notes

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (i), (ii), (iii), (iv), (v) or (vi) set out in Share Linked Condition 2(b)(B). The Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 12 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:

(i) written instructions have been given by the issuer to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;

(ii) the termination of the deposit agreement in respect of the Underlying Shares.

Upon the occurrence of an Additional Disruption Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (i), (ii), (iii) or (iv) set out in Share Linked Condition 4(a). The Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 12 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"**Additional Disruption Event**" is defined in Share Linked Condition 7.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

"**Underlying Shares**" mean the shares underlying the GDR or the ADR, as the case may be.

2. Potential Adjustment Event

The following additional event shall be deemed added to 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.

3. General

Save where specifically provided under the Final Terms, all provisions of the Conditions which relate to Share Linked Notes (including, inter alia, the Share Linked Conditions), if relevant, shall be applicable to GDR/ADR Linked Notes as if references therein to the "Shares" were to the GDRs or ADRs as applicable and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, were 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" were 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 Noteholders.

ANNEX 8

ADDITIONAL TERMS AND CONDITIONS FOR CUSTOM INDEX LINKED NOTES

*The terms and conditions applicable to Custom Index Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 51 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Custom Index Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Custom Index Linked Conditions, the Custom Index Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Custom Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. 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 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 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 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 Trading Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

(i) in the case of Custom Index Linked Notes 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 :

(A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to

determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

(B) 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 Notes and, if so:

(1) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

(2) 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 Noteholders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Notes and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate; or

(3) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Notes to account for the Custom

Index Adjustment Event and determine the effective date of those adjustments; or

(4) 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 in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each redeemed Note being redeemed at an amount equal to the fair market value of each Note, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(5) if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "Calculated Custom Index Adjustment Event Amount") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "Calculated Custom Index Adjustment Event Amount Determination Date") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Maturity Date at a rate specified in the applicable Final Terms, or (y) if greater, its nominal amount; or

(6) 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.

(ii) in the case of Custom Index Linked Notes 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:

(A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an **"Affected Custom Index"**) on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all

Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Linked Condition 6 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

(B) 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 Notes and, if so:

(1) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may

determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Linked Condition 6 (**Definitions**) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

(2) 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 Noteholders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Notes and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate; or

(3) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Notes to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or

(4) 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 in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each redeemed Note being redeemed at an amount equal to the fair market value of each Note, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(5) if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Maturity Date

shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Maturity Date at a rate specified in the applicable Final Terms or (y) if greater, its nominal amount; or

(6) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

(iii) in the case of Custom Index Linked Notes 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:

(A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;

(B) 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 Notes and, if so:

(1) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

(2) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Notes and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate; or

(3) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Notes to account for the Custom

Index Adjustment Event and determine the effective date of those adjustments; or

(4) 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 in which case it will so notify the Issuer and the Issuer will give notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each redeemed Note being redeemed at an amount equal to the fair market value of a Note, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(5) if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "Calculated Custom Index Adjustment Event Amount") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "Calculated Custom Index Adjustment Event Amount Determination Date") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Maturity Date at a rate specified in the applicable Final Terms or (y) if greater, its nominal amount; or

(6) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

(c) 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 Noteholders copies of any such determinations.

2. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Notes 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 Notes, 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 Index Business Days prior to a due date for payment under the Notes 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.

3. Consequences of an Additional Disruption Events

(a) If an Additional Disruption Event occurs, the Calculation Agent in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (if applicable) (iv):

(i) determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to 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 determine the effective date of that adjustment; 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 within twenty (20) Scheduled Custom Index Business Days (or such other number of Scheduled Custom Index Business Days specified in the applicable Final Terms) of the relevant Additional Disruption Event and, upon selection of such index, the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Noteholders in accordance with General Condition 12 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 of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate. Such substitution and the relevant adjustment to the terms of the Notes will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its absolute discretion and specified in the notice referred to below which may, but need not be the date on which the Additional Disruption Event occurred**;** or

(iii) unless Delayed Redemption on Occurrence of Adjustment Event is specified as being applicable in the applicable Final Terms, require the Issuer to redeem the notes in which case it shall so notify the Issuer and the Issuer will give notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of each Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(iv) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event (the "**Calculated Additional**

Disruption Amount Determination Date") and on the Maturity Date shall notify the Issuer and the Issuer shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at the rate specified in the applicable Final Terms or (y) if greater, at its nominal amount.

(b) Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines to take any action in respect thereof it shall give notice as soon as practicable to the Noteholders in accordance with General Condition 12 stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto.

4. Knock-in Event and Knock-out Event

(a) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Notes 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 Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

(c) 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 Custom Index Disruption Event 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 of the Custom Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(d) Definitions relating to Knock-in Event/Knock-out Event:

Unless otherwise specified in the applicable Final Terms,

"**Knock-in Determination Day**" means the date(s) specified as such in the applicable Final Terms, or, if not so specified, each Scheduled Custom Index Business Day during the Knock-in Determination Period;

"**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:

(in respect of a single Custom Index) that the level of the Custom Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or

(in respect of a Basket of Custom Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Custom Index as the product in respect of each Custom Index of (x) the level of such Custom Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Level as specified in the applicable Final Terms;

"**Knock-in Level**" means (i) in the case of a single Custom Index, the level of the Custom Index or (ii) in case of a Basket of Custom Indices, the level of each Custom Index in the Basket, in each case 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 Custom Index Linked Condition 1 (**Adjustments to a Custom Index and Custom Index Disruption**);

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Custom Index Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Custom Index Business Day, the next following Scheduled Custom Index Business Day;

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Custom Index Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Custom Index Business Day, the next following Scheduled Custom Index Business Day;

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"**Knock-out Determination Day**" means the date(s) as specified in the applicable Final Terms, or each Scheduled Custom Index Business Day during the Knock-out Determination Period;

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

"**Knock-out Event**" means:

(a) (in respect of a single Custom Index) that the level of the Custom Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or

(b) (in the case of a Basket of Custom Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Custom Index as the product in respect of each Custom Index of (x) the level of each such Custom Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

"**Knock-out Level**" means, in respect of a single Custom Index, (i) the level of the Custom Index or (ii) in the case of a Basket of Custom Indices, the level of each Custom Index in the Basket, in each case 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 Custom Index Linked Condition 1 (**Adjustments to a Custom Index and Custom Index Disruption**);

"**Knock-out Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Custom Index Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Custom Index Business Day, the next following Scheduled Custom Index Business Day;

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Custom Index Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Custom Index Business Day, the next following Scheduled Custom Index Business Day; and

"**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.

5. Automatic Early Redemption

(a) If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount in the Relevant Currency specified in the applicable Final Terms equal to the relevant Automatic Early Redemption Amount.

(b) Definitions relating to Automatic Early Redemption:

Unless otherwise specified in the applicable Final Terms,

"**Automatic Early Redemption Amount**" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion;

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

"**Automatic Early Redemption Event**" means that (i) in respect of a single Custom Index, the level of the Custom Index determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date is and (ii) in the case of a Basket of Custom Indices, the amount determined by the Calculation Agent equal to the sum of the values of each Custom Index as the product of (x) the level of such Custom Index as determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date and (y) the relevant Weighting is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

"**Automatic Early Redemption Level**" means the level of the Custom Index 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 Custom Index Linked Condition 1 (**Adjustments to a Custom Index and Custom Index Disruption**) above;

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms; and

"**Automatic Early Redemption Valuation Date**" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Custom Index Business Day, the next following Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent,, there is a Custom Index Disruption Event occurring on such day, in which case, 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".

6. Definitions

(a) Unless otherwise specified in the applicable Final Terms:

"**Additional Disruption Event**" means any of Analogous Event, Change in Law, Force Majeure Event, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms;

“**Affiliate**” means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity;

"Analogous Event" means any event analogous to any of the Additional Disruption Events: Change of Law, Force Majeure Event, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and Loss of Stock Borrow if such Additional Disruption Event is specified as applicable in the applicable Final Terms as determined by the Calculation Agent;

“**Averaging Date**” means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Linked Condition 1(b) (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

“**Banking Day**” means any week day except for 25 December and 1 January in any year;

“**Basket**” and ““**Basket of Custom Indices**” means a basket comprised of two or more Custom Indices;

“**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 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), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant hedge positions relating to a Custom Index;

"**Custom Index**" or “**Custom Indices**” mean, subject to adjustment in accordance with this Annex 8, the custom indices or custom index 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;

"**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 Scheduled Custom Index Business Day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to hedge its obligations in respect of such Custom Index under the Notes;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"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, law, rule, regulation, judgement, 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 the Issuer's or the Issuer'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 Issuer and/or any of its affiliates of all or substantially all of its assets in the relevant jurisdiction;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"**Hedging Disruption**" means that the Issuer 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) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any relevant hedge positions relating to a Custom Index as determined by the Calculation Agent;

"**Hedging Shares**" means the number of securities/commodities/components comprised in a Custom Index that the Calculation Agent deems necessary for the Issuer to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes;

"**Increased Cost of Hedging**" means that the Issuer 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) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) relating to any hedge positions in the relevant Custom Index in each case as determined by the Calculation Agent, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

"**Increased Cost of Stock Borrow**" means that the Issuer and/or any of its Affiliates would incur a rate to borrow any security/commodity/component comprised in a Custom Index that is greater than the Initial Stock Loan Rate as determined by the Calculation Agent;

"**Index Sponsor**" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Notes is the index sponsor specified for such Custom Index in the applicable Final Terms;

"**Initial Stock Loan Rate**" means, in respect of a security/commodity comprised in a Custom Index, the initial stock loan rate specified in relation to such security/commodity in the applicable Final Terms;

"**Loss of Stock Borrow**" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any securities/commodities/component comprised in a Custom Index in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate as determined by the Calculation Agent;

"**Maximum Stock Loan Rate**" means, in respect of a security/commodity comprised in a Custom Index, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"**Observation Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Linked Condition 1(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) the Issuer and/or any of its Affiliates determines, in its sole and absolute discretion, that it is scheduled to be a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"**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) the Issuer and/or any of its Affiliates determines, in its sole and absolute discretion, that 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) the Issuer and/or any of its Affiliates determines, in its sole and absolute discretion, that it is scheduled to be a Custom Index Trading Day;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Note, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be:

(a) in the case of Custom Index Linked Notes 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

(b) in the case of Custom Index Linked Notes 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;

"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 Custom Index Linked Condition 1(b) (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Strike Price" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

(a) in the case of Custom Index Linked Notes relating to a single Custom Index, an amount equal to the level of the Custom Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Custom Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and

(b) in the case of Custom Index Linked Notes relating to a Basket of Custom Indices and in respect of each Custom Index comprising the Basket, an amount equal to the level of each such Custom Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Custom Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"**Valuation Date**" means the Coupon 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 unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Linked Condition 1(b) (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"**Valuation Time**" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Custom Index in its sole and absolute discretion.

ANNEX 9

ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED NOTES

*The terms and conditions applicable to Foreign Exchange (FX) Rate Linked Notes shall comprise the Terms and Conditions of the Notes (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Foreign Exchange (FX) Rate Linked Note Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Foreign Exchange (FX) Rate Linked Note Conditions, the Foreign Exchange (FX) Rate Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Foreign Exchange (FX) Rate Linked Note Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Disruption Events

Unless otherwise stated in the applicable Final Terms the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a Disruption Event:

(i) Price Source Disruption;

(ii) Illiquidity Disruption;

(iii) Dual Exchange Rate;

(iv) any other event that, in the opinion of the Calculation Agent, is analogous to (i), (ii) or (iii);or

(v) any other event specified in the applicable Final Terms.

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with General Condition 12 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.

2. Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on an Averaging Date or any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

"**Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Settlement Price in respect of a Base Currency, Subject Currency and/or Subject Currencies when a Disruption Event occurs or exists on a day that is an Averaging Date or a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (i), (ii) or (iii) below.

(i) if an Averaging Date or any Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of the Strike Date or Settlement Price Date) or Valid Date (in the case of an Averaging Date or Settlement Price Date that is not the Strike Date) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective, in the case of an Averaging Date or Settlement Price Date, of whether that last consecutive Scheduled Trading Day is already an Averaging Date or Settlement Price Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Base Currency, Subject Currency and/or Subject Currencies

as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or

(ii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being not applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with General Condition 12, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12; or

(iii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Foreign Exchange (FX) Disruption Amount**") as soon as practicable following the occurrence of the Disruption Event (the "**Calculated Foreign Exchange (FX) Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Foreign Exchange (FX) Disruption Amount plus interest accrued from and including the Calculated Foreign Exchange (FX) Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, its nominal amount.

3. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms and subject as referred to in Foreign Exchange (FX) Rate Linked Notes Condition 2 above:

(i) in the case of Foreign Exchange (FX) Rate Linked Notes relating to a basket of Subject Currencies and in respect of a Subject Currency, the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and

(ii) in the case of Foreign Exchange (FX) Rate Linked Notes relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may

be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent).

4. Knock-in Event and Knock-out Event

(i) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment 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.

(ii) If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment 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.

(iii) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if a Disruption Event has occurred on any Knock-in Determination Day or Knock-out Determination Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

(iv) 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 for the Base Currency, Subject Currency and/or Subject Currencies 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 Subject Currency or Subject Currencies trigger the Knock-in Level or the Knock-out Level, a Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

(v) Definitions relating to Knock-in Event/Knock-out Event.

Unless otherwise specified in the applicable Final Terms:

"**Knock-in Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-In Determination Period.

"**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 (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is, (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level, or (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms.

"**Knock-in Level**" means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate Linked Condition 1 and Foreign Exchange (FX) Rate Linked Condition 2.

"**Knock-in Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-In Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-In Period Ending Date Scheduled Trading Day Convention is specified

as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Range Level**" means the range of levels specified as such or otherwise determined 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-out Determination Day**" means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-Out Determination Period.

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"**Knock-out Event**" means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms.

"**Knock-out Level**" means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment in accordance with Foreign Exchange (FX) Linked Rate Condition 1 and Foreign Exchange (FX) Rate Linked Condition 2.

"**Knock-out Period Beginning Date**" means the date specified as such in the applicable Final Terms or, if the Knock-Out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Period Ending Date**" means the date specified as such in the applicable Final Terms or, if the Knock-Out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**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.

5. Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with General Condition 12. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 12.

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"**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), 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), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

"**Hedging Disruption**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation foreign exchange risk and interest rate risk) of the Issuer or the Guarantor (if applicable), issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor (if applicable) and/or any of their respective affiliates shall not be deemed an Increased Cost of Hedging.

6. 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 succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 2 (Consequences of a Disruption Event) shall apply.

"**Dual Exchange Rate**" means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates.

"**Disrupted Day**" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred.

"**Illiquidity Disruption**" means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Notes (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).

"**Price Source**" means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the applicable Final Terms.

"**Price Source Disruption**" means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated.

"**Scheduled Trading Day**" means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Subject Currency or Subject Currencies.

"**Settlement Price Date**" means the Strike Date, Observation Date or Valuation Date, as the case may be.

"**Specified Maximum Days of Disruption**" means the number of days specified in the applicable Final Terms, or if not so specified, 5 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 succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 2 (Consequences of a Disruption Event) shall apply.

"**Valuation Date**" means any Coupon 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 unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 2 (*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.

"**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.

USE OF PROCEEDS

The net proceeds from each issue of Notes by BNPP will be applied for the general financing purposes of BNPP. The net proceeds from each issue of Notes by BNPP B.V. will become part of the general funds of BNPP B.V. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

FORM OF DEED OF GUARANTEE

THIS DEED OF GUARANTEE is made on 29 May 2009 by BNP Paribas ("**BNPP**") in favour of the Noteholders and the Accountholders (each as defined below) (together, the "Beneficiaries").

WHEREAS:

(A) BNP Paribas Arbitrage Issuance B.V. ("BNPP B.V.") and BNPP have established a Programme for the Issuance of Debt Instruments (the "**Programme**"). BNPP has authorised the giving of its irrevocable guarantee in relation to the notes issued by BNPP B.V under the Programme (the "**Notes**").

(B) BNPP and BNPP B.V. have, in relation to the notes issued under the Programme, entered into an Amended and Restated Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated 29 May 2009 between BNPP B.V., BNPP, BNP Paribas Securities Services, Luxembourg Branch and BNP Paribas Securities Services.

(C) BNPP and BNPP B.V. have, in relation to the notes issued under the Programme, executed a deed of covenant (as amended, supplemented and/or restated from time to time, the **Deed of Covenant**).

(D) BNPP has agreed to irrevocably guarantee the payment and delivery obligations from time to time of BNPP B.V. in respect of the Notes and under the Deed of Covenant.

NOW THIS DEED WITNESSES as follows:

1. Definitions and Interpretation

1.1 **Accountholder** means any accountholder or participant with a Clearing System which at the Relevant Date has credited to its securities account with such Clearing System one or more entries in respect of a Global Note issued by BNPP B.V., except for any Clearing System in its capacity as an accountholder of another Clearing System;

Clearing System means each of Euroclear and Clearstream, Luxembourg, and any other Clearing System specified in the relevant Final Terms;

Direct Rights means the rights referred to in Clause 2 of the Deed of Covenant;

Noteholder means, in relation to any Note, at any time the person who is the bearer of such Note;

person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal entity;

Relevant Date means, in relation to the payment of any sum or delivery of assets expressed to be payable or deliverable by BNPP B.V. in respect of a Note, whichever is the later of:

(a) the date on which the payment or delivery in question first become due; and

(b) if the full amount payable or deliverable has not been received by the Agent on or prior to such date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders; and

1.2 Terms defined in the Terms and Conditions of the Notes, as amended and/or supplemented by the applicable Final Terms (the "**Conditions**") and/or the Agency Agreement and not otherwise defined in this Deed of Guarantee shall have the same meanings when used in this Guarantee.

1.3 Any reference in this Deed of Guarantee to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to Clause 2 of the Deed of Covenant.

2. Guarantee

Subject as provided below, BNPP hereby irrevocably and unconditionally guarantees:

(a) to each Noteholder the due and punctual payment of all sums from time to time payable or performance of any other obligation by BNPP B.V. in respect of the Notes on the date specified for such payment or performance and accordingly undertakes to either (i) pay to such Noteholder, forthwith upon the demand of such Noteholder and in the manner and currency prescribed by the Conditions for payments by BNPP B.V. in respect of the Notes, any and every sum or sums which BNPP B.V. is at any time liable to pay in respect of the Notes and which BNPP B.V. has failed to pay or (ii) perform such other obligation for the benefit of such Noteholder which BNPP B.V. has failed to perform on the due date for such performance after a demand has been made on BNPP pursuant to Clause 10 hereof; and

(b) to each Accountholder the due and punctual payment of all sums from time to time payable or performance of any other obligation by BNPP B.V. in respect of the Direct Rights on the date specified for such payment or performance and accordingly undertakes to either (i) pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by BNPP B.V. in respect of the Notes, any and every sum or sums which BNPP B.V. is at any time liable to pay in respect of the Notes and which BNPP B.V. has failed to pay or (ii) perform such other obligation for the benefit of the Accountholder which BNPP B.V. has failed to perform on the due date for such performance after a demand has been made on BNPP pursuant to Clause 10 hereof,

PROVIDED THAT in the case of Notes (other than Credit Linked Notes) where the obligations of BNPP B.V. which fall to be satisfied by BNPP constitute the delivery of the Entitlement if in the opinion of BNPP such delivery is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 4(b)(A)(5)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 4(b)(A)(6)), in lieu of such delivery BNPP will make payment in respect of each such Note of, in the case of (x) above, the Disruption Cash Redemption Amount (as defined in Condition 4(b)(A)(5)) or in the case of (y) above, the Failure to Deliver Redemption Amount (as defined in Condition 4(b)(A)(6)). Any payment of the Disruption Cash Redemption Amount or the Failure to Deliver Redemption Amount, as the case may be, in respect of a Note shall constitute a complete discharge of BNPP's obligations in respect of the delivery of the Relevant Assets affected by the Settlement Disruption Event or Failure to Deliver due to Illiquidity, as the case may be.

3. Taxation

If the applicable Final Terms specify that Condition 6(b)(i) is applicable to the Notes, the Guarantor covenants in favour of each Noteholder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 6(b)(i). In particular, if in respect of any payment to be made under this Deed of Guarantee, any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature is payable, the Guarantor shall pay the additional amounts referred to in Condition 6(b)(i), all subject to and in accordance with the provisions of Condition 6(b)(i).

4. BNPP as Principal Obligor

As between BNPP and the each Beneficiary but without affecting BNPP B.V.'s obligations, BNPP will be liable under this Deed of Guarantee as if it were the sole principal obligor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (1) any time, indulgence, waiver or consent at any time given to BNPP B.V. or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on BNPP B.V. or any other person for payment or performance of any other obligation in respect of any Note, (4) the enforcement or absence of enforcement of any Note or of any security or other guarantee or

indemnity, (5) the release of any such security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of BNPP B.V. or any other person, or (7) the illegality, invalidity or unenforceability of or any defect in any provision of the Conditions, the Agency Agreement or any of BNPP B.V.'s obligations under any of them).

5. BNPP's Obligations Continuing

BNPP's obligations under this Deed of Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable and no other obligation remains to be performed under any Note. Furthermore, those obligations of BNPP are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from BNPP or otherwise. BNPP irrevocably waives all notices and demands of any kind.

6. Discharge by BNPP B.V.

If any payment received by, or other obligation discharged to or to the order of, any Noteholder is, on the subsequent bankruptcy or insolvency of BNPP B.V., avoided under any laws relating to bankruptcy or insolvency, such payment or obligation will not be considered as having discharged or diminished the liability of BNPP and this Deed of Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by BNPP B.V.

7. Indemnity

As a separate and alternative stipulation, BNPP unconditionally and irrevocably agrees:

(a) that any sum or obligation which, although expressed to be payable or deliverable under the Notes, is for any reason (whether or not now existing and whether or not now known or becoming known to BNPP B.V., BNPP or any Noteholder) not recoverable from BNPP on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal obligor and will be paid or performed by it in favour of the Noteholder on demand; and

(b) as a primary obligation to indemnify each Beneficiary against any loss suffered by it as a result of any sum or obligation expressed to be payable or deliverable under the Notes not being paid or performed by the time, on the date and otherwise in the manner specified in the Notes or any obligation of BNPP B.V. under the Notes being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not known or becoming known to BNPP B.V., BNPP or any Beneficiary), in the case of a payment obligation the amount of that loss being the amount expressed to be payable by BNPP B.V. in respect of the relevant sum,

PROVIDED THAT the proviso to Clause 2 of this Guarantee shall apply *mutatis mutandis* to this Clause 7.

8. Incorporation of Terms

BNPP agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

9. Deposit of Guarantee

This Deed of Guarantee shall be deposited with and held by BNP Paribas Securities Services, Luxembourg for the benefit of the Beneficiaries.

10. Demand on BNPP

Any demand hereunder shall be given in writing addressed to BNPP served at its office at Legal and Transaction Management Group, 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.

11. Governing law

This Deed of Guarantee and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law.

12. Jurisdiction

This Clause is for the benefit of the Beneficiaries only. Subject as provided below, 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 BNPP 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. BNPP 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 Beneficiaries to take any Proceedings against BNPP in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

13. Service of Process

BNPP agrees that service of process in England may be made on it at its London branch. Nothing in this Deed of Guarantee shall affect the right to serve process in any other manner permitted by law.

14. 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.

Delivered as a Deed

By BNP PARIBAS)
acting by)
acting under the authority)
of that company)

IN WITNESS whereof this Deed of Guarantee has been delivered by

BNP Paribas as a deed on the date first above-mentioned.

Witness's signature:

Name:

Address:

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest Coupons attached, or registered form, without Coupons attached. Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") which will (i) if the Global Notes are not intended to be issued in NGN Form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg and (ii) if the Global Notes are intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a permanent bearer global note (a "**Permanent Bearer Global Note**") of the same Series or (ii) for 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 applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer 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 Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 8) has occurred and is continuing, (ii) the relevant 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 have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 12 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 Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent. If the Global Note is a NGN, the relevant Issuer shall procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system.

In the event that the Permanent Bearer Global Note is exchanged for definitive Bearer Notes, such definitive Bearer Notes shall be issued in the minimum Specified Denomination only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of the Specified Denomination may need to purchase or sell, on or before the Exchange Date, a principal amount of Notes such that their holding is an integral multiple of the Specified Denomination.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note 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.

Registered Notes

The Registered Notes of each Tranche 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 global note in registered form, without Receipts or Coupons, (a "**Registered Global Note**") which will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of the Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 1(b) and such Registered Global Note will bear a legend regarding such restrictions on transfer.

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 Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register (as defined in Condition 4) as the registered holder of the Registered Global Notes. None of the Issuer, the Guarantor (if applicable), any Paying Agent or the Registrar 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 the Registered Notes in definitive form 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 Condition 4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without Receipts, Coupons or Talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) the relevant 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 have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 12 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 Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

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, in each case to the extent applicable.

Applicable Final Terms

Set out below is the form of Final Terms.

The Final Terms will contain the information items permitted under Article 22.4 of Commission Regulation (EC) No 809/2004 (the "**Prospectus Regulation**").

CLEARING SYSTEMS

1. Euroclear and Clearstream, Luxembourg

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

2. Euroclear France

Notes may be accepted for clearance through Euroclear France.

Euroclear France is a French corporation (*société anonyme*) whose articles of incorporation and by-laws are subject to the approval of the French Minister of Finance. As specified in the order of 4 August 1949 its purpose is to facilitate the circulation of securities (*valeurs mobilières*) including notes among member institutions via book-entry transfers. Therefore, Euroclear France operates the clearing for securities on a delivery/payment basis.

Approved financial intermediaries (i.e. credit institutions and *sociétés de bourse*) and other clearing systems (including, directly or indirectly, Euroclear and Clearstream, Luxembourg) are affiliated member institutions of Euroclear France.

3. Euroclear Safekeeper

In respect of Bearer Notes which are NGNs, the Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

FORM OF FINAL TERMS

Final Terms dated [●]

[*BNP PARIBAS*

(incorporated in France)

***(as [Issuer] [Guarantor])*]**

[BNP PARIBAS ARBITRAGE ISSUANCE B.V.

(incorporated in The Netherlands)

***(as Issuer)*]**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €90,000,000,000

Programme for the Issuance of Debt Instruments

[guaranteed by BNP Paribas]

(the Programme)

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (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 the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

(i) in circumstances in which no obligation arises for the Issuer[, the Guarantor] 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) in those Public Offer Jurisdictions mentioned in Paragraph 59 of Part A below, provided such person is one of the persons mentioned in Paragraph 59 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

[Neither] [None of] the Issuer [nor], [the Guarantor or] any Dealer has authorised, [n]or [do they] authorise[s], the making of any offer of Notes in any other circumstances.**]**[1]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (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 the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer[, the Guarantor] or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. [Neither][None of] the Issuer[, the Guarantor] [n]or any Dealer has authorised, [nor do they] [or] authorise[s], the making of any offer of Notes in any other circumstances.**]**[2]

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1 Consider including this legend where a non-exempt offer of Notes is anticipated.

2 Consider including this legend where only an exempt offer of Notes is anticipated.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth under the section**[**s**]** entitled "Terms and Conditions of the Notes" **[**and "Annex 1 - Additional Terms and Conditions for Index Linked Notes"/"Annex 2 - Additional Provisions for Share Linked Notes"/"Annex 3 - Additional Terms and Conditions for Inflation Linked Notes"/"Annex 4 – Additional Terms and Conditions for Commodity Linked Notes"/"Annex 5 – Additional Terms and Conditions for Fund Linked Notes"/"Annex 6 – Additional Terms and Conditions for Credit Linked Notes"/"Annex 7 – Additional Terms and Conditions for GDR/ADR Notes"/"Annex 8 - Additional Terms and Conditions for Custom Index Linked Notes"/"Annex 9 – Additional Terms and Conditions for Foreign Exchange (FX) Rate Linked Notes"**]** in the Base Prospectus dated 29 May 2009 **[**and the Supplement**[**s**]** to the Base Prospectus dated **[●]]** which **[**together**]** constitute**[**s**]** a base prospectus for the purposes of the Directive 2003/71/EC (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive, and must be read in conjunction with such Base Prospectus **[**as so supplemented**]**. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. **[**The Base Prospectus, **[**these Final Terms **[**and the Supplement**[**s**]** to the Prospectus**]** **[**(in each case, together with any documents incorporated therein by reference)**]** **[**is**]** **[**are**]** available for viewing at, and copies may be obtained from, BNP Paribas Securities Services, Luxembourg Branch (in its capacity as Principal Paying Agent), 33, rue de Gasperich, Howald - Hesperange, L-2085 Luxembourg. The Base Prospectus, **[**these Final Terms **[**and the Supplement**[**s**]** to the Prospectus**]** will also be available on the Luxembourg Stock Exchange website "www.bourse.lu"**]**.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth under the section**[**s**]** entitled "Terms and Conditions of the Notes" **[**and "Annex 1 - Additional Terms and Conditions for Index Linked Notes"/"Annex 2 - Additional Provisions for Share Linked Notes"/"Annex 3 - Additional Terms and Conditions for Inflation Linked Notes"/" Annex 4 – Additional Terms and Conditions for Commodity Linked Notes"/"Annex 5 – Additional Terms and Conditions for Fund Linked Notes"/"Annex 6 – Additional Terms and Conditions for Credit Linked Notes"/"Annex 7 – Additional Terms and Conditions for GDR/ADR Linked Notes"/"Annex 8 – Additional Terms and Conditions for Custom Index Linked Notes"/"Annex 9 – Additional Terms and Conditions for Foreign Exchange (FX) Rate Linked Notes"**]** in the Base Prospectus dated **[**original date**]** **[**and the Supplement**[**s**]** to the Prospectus dated **[●]]**. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), and must be read in conjunction with the Base Prospectus dated 29 May 2009 **[**and the Supplement**[**s**]** to the Prospectus dated **[●]]**, which **[**together**]** constitute**[**s**]** a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated **[**original date**]** **[**and the Supplement**[**s**]** to the Base Prospectus dated **[●]]** and are attached hereto. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated **[**original date**]** and 29 May 2009 **[**and the Supplement(s) to the Prospectuses dated **[●]** and **[●]]**. **[**The Base Prospectuses, **[**these Final Terms **[**and the Supplement(s) to the Prospectuses**]** **[**is**]** **[**are**]** available for viewing at, and copies may be obtained from, BNP Paribas Securities Services, Luxembourg Branch (in its capacity as Principal Paying Agent), 33, rue de Gasperich, Howald - Hesperange, L-2085 Luxembourg and will be available on the Luxembourg stock exchange website "www.bourse.lu"**]**.

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

[*When completing any final terms, or 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.*

1.	(i)	Issuer:	[BNP Paribas]/ [BNP Paribas Arbitrage Issuance B.V.]
	(ii)	[Guarantor:	BNP Paribas]
2.	(i)	Series Number:	**[●]**
	(ii)	Tranche Number:	**[●]** (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
3.	Specified Currency:		**[●]**
4.	Aggregate Nominal Amount:		
	(i)	Series:	**[●]**
	(ii)	Tranche:	**[●]**
5.	(i)	**[**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*)**]**
	(ii)	**[**Net Proceeds:	**[●]** (*Required only for listed issues with a denomination of less than €50,000 or the equivalent in other currencies*)**]**
6.	Minimum Trading Size:		**[***specify***]**
7.	(i)	Specified Denominations:	**[●] [●]** (*Note – where multiple denominations above* **[***€50,000***]** *or equivalent are being used the following sample wording should be followed:* *"***[***€50,000***]** *and integral multiples of* **[***€1,000***]** *in excess thereof up to and including* **[***€99,000***]***. No Notes in definitive form will be issued with a denomination above* **[***€99,000***]***."*)[3] (*N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required. Where an issue of Notes is to be listed on the regulated market of the Luxembourg Stock Exchange, the minimum denomination of the Notes shall be €1,000*)
	(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.*)

[3] Delete if notes being issued are in registered form.

8.	(i)	**[**Issue Date **[**and Interest Commencement Date**]**:**]**	**[●]**
	(ii)	**[**Interest Commencement Date (if different from the Issue Date):**]**	**[●]]**
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**") [subject as provided in Fund Linked Condition 14 (*include for Fund Linked Notes*)]. [subject as provided in Annex 6 – *Additional Terms and Conditions for Credit Linked Notes*] (*include for Credit Linked Notes*)]. **[***In the case of Subordinated Notes, the minimum maturity will be five years***]**
10.	Form of Notes:		**[**Bearer/Registered**]**
11.	Interest Basis:		**[[●]** per cent. Fixed Rate**][[**LIBOR/EURIBOR**]** +/- **[●]** per cent. Floating Rate**][**Zero Coupon**][**Index Linked Interest**][**Share Linked Interest**][**Inflation Linked Interest**][**Commodity Linked Interest**][**Fund Linked Interest**][**GDR/ADR Linked Interest**][**Custom Index Linked Interest**][**Foreign Exchange (FX) Rate Linked Interest**][**Hybrid Interest**][***Other***](further particulars specified below)
12.	Redemption/Payment Basis:		**[**Redemption at par**][**Index Linked Redemption**][**Share Linked Redemption**][**Inflation Linked Redemption**][**Commodity Linked Redemption**][**Fund Linked Redemption**][**Credit Linked Redemption**][**GDR/ADR Linked Redemption**][**Custom Index Linked Redemption**][**Foreign Exchange (FX) Rate Linked Redemption**][**Hybrid Redemption**][**Partly Paid**][**Instalment**] [***other***]**
13.	Change of Interest Basis or Redemption/Payment Basis:		**[***Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis***]**
14.	Put/Call Options:		**[**Noteholder Put**][**Issuer Call**][**(further particulars specified below)**]**
15.	Status of the Notes:		**[**Senior/**[**Dated/Undated**]** Subordinated**]** (*if subordinated specify* **[[**Unsubordinated/Subordinated**]** interest *and insert applicable provisions***]]**)
16.	**[**Tax Gross-Up:		**[**Condition 6(b)(i) applicable**]**/**[**Condition 6(b)(ii) applicable**]]** (*N.B. Only applicable if BNPP B.V. is the Issuer. Only one of Condition 6(b)(i) and 6(b)(ii) should be specified as applicable. If Condition 6(b)(ii) is specified as applicable, Condition 5(b) will not be applicable*)

17.	[French taxation for Notes 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:	[Not applicable]/[give details]
18.	Listing:	**[**None/See "*Listing and Admission to Trading*" in paragraph 1 of Part B**]**
19.	Method of distribution:	**[**Syndicated/Non-syndicated**]**

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

20.	Fixed Rate Provisions:		**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Fixed Rate**[**(s)**]** of Interest:	**[●]** per cent. per annum **[**payable **[**annually/semi-annually/quarterly**]** in arrear**]**
	(ii)	Interest Period End Date(s):	**[●]** in each year
		• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/None**]**
	(iii)	Interest Payment Date(s):	**[●]** in each year
		• Business Day Convention for Interest Payment Date(s):	**[**Following/Modified Following/Preceding/None/Not applicable**]** (*If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) 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*)
	(iv)	Fixed Coupon Amount(s):	**[●]** per Calculation Amount
	(v)	Broken Amount(s):	**[[●]** per Calculation Amount, payable on the Interest Payment Date falling **[**in/or**]** **[●]**. *Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)***]**
	(vi)	Day Count Fraction:	**[**30/360/Actual/Actual (ICMA)**]** **[***specify***]**
	(vii)	Determination Date(s):	**[●]** in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	(viii)	Other terms relating to the method of calculating	**[**None/*Give details***]**

	interest for Fixed Rate Notes:	
21.	Floating Rate Provisions:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Interest Period(s):	**[●]**
(ii)	Interest Period End Date(s):	**[●]**
	• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/FRN/None**]**
(iii)	Interest Payment Date(s):	**[●]**
	• 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) 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*)
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	**[**Screen Rate Determination/ISDA Determination/AFB Determination/*specify***]**
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	**[●] [**Calculation Agent**]**
(vi)	Screen Rate Determination:	
	– Reference Rate:	**[●]** (*Either LIBOR, EURIBOR or other, although additional information is required if other – **[**including fallback provisions in the Agency Agreement**]***)
	– Interest Determination Date(s):	**[●]** (*Second London business day prior to the start of each Interest Period if LIBOR and second TARGET day prior to the start of each Interest Period if EURIBOR*)
	– Specified Time:	**[●]** (*which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR*)
	– Relevant Screen Page:	**[●]** (*In the case of EURIBOR, if not Reuters EURIBOR01*

		ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(vii)	ISDA Determination:	
	– Floating Rate Option:	**[●]**
	– Designated Maturity:	**[●]**
	– Reset Date:	**[●]**
(viii)	Margin(s):	**[**+/-**][●]** per cent. per annum
(ix)	Minimum Interest Rate:	**[●]** per cent. per annum
(x)	Maximum Interest Rate:	**[●]** per cent. per annum
(xi)	Day Count Fraction:	[●] **[**unadjusted**]**
(xii)	Fall back provisions, day count fraction, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	**[**Condition 3(b)(vi) applies/*specify***]**
22.	Zero Coupon Provisions:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Accrual Yield:	**[●]** per cent. per annum
(ii)	Reference Price:	**[●]**
(iii)	Any other formula/basis of determining Amortised Face Amount payable:	**[●]** (*Consider applicable Day Count Fraction if euro denominated*)
23.	Index Linked Interest Provisions:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Index/Basket of Indices:	[●] **[**Composite/non Composite**]**
(ii)	Index Currency:	**[***specify***]**
(iii)	Screen Page:	[●]
(iv)	Formula:	**[***specify***]**
(v)	Settlement Price:	The Settlement Price will be calculated [*insert calculation method*]
(vi)	Disrupted Day:	[as set out in the Conditions]
(vii)	Calculation Agent responsible for calculating the interest due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**] [**Address**]**
(viii)	Provisions for determining	**[●]**

	coupon where calculation by reference to Formula is impossible or impracticable:	
(ix)	Interest Period(s):	**[●]**
(x)	Interest Period End Date(s):	**[●]**
	• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/FRN/None**]**
(xi)	Interest Payment Date(s):	**[●]**
	• 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) 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*)
(xii)	Day Count Fraction:	**[●]**
(xiii)	Averaging:	Averaging **[**applies/does not apply**]** to the Notes. **[**The Averaging Dates are **[●]**.**]** **[**In the event that an Averaging Date is a Disrupted Day Omission/Postponement/Modified Postponement**]** will apply.**]** **[**Modified Postponement**]** (*Only applicable if Modified Postponement is applicable as an Averaging election*) **[**Specified Maximum Days of Disruption will be equal to: **[●]**/**[**eight**]]** (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xiv)	Strike Date:	**[●]**
(xv)	Coupon Valuation Date(s):	**[***specify***]**
(xvi)	Observation Date(s):	**[[●]**/Not applicable**].]** **[**In the event that an Observation Date is a Disrupted Day/**[**Omission/Postponement/Modified Postponement**]** will apply.**]**
(xvii)	Observation Period:	**[***specify*/Not applicable**]]**
(xviii)	Exchange Business Day:	**[**(All Indices Basis)/(Per Index Basis)/(Single Index Basis)**]** (*standard election is All Indices Basis*)
(xix)	Scheduled Trading Day:	**[**(All Indices Basis)/(Per Index Basis)/(Single Index Basis)**]**

		(*must match election made for Exchange Business Day*)
(xx)	Exchange(s) and Index Sponsor:	(a) the relevant Exchange**[**s**]** **[**is/are**]** **[●]**; and (b) the relevant Index Sponsor is **[●]**.
(xxi)	Related Exchange:	**[***specify*/**[**All Exchanges**]]**
(xxii)	Weighting:	**[**Not applicable/The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is **[●]**. Each such Weighting shall be subject to adjustment in the case of Index Linked Notes**]**/**[***specify***]**. (N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices)**]**
(xxiii)	Coupon Valuation Time:	**[**Scheduled Closing Time/Any time **[**on the relevant Settlement Price Date/during the Observation Period.**]** **[[●]**, being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.**]** (*N.B. if no time is specified, the Coupon Valuation Time will be the Scheduled Closing Time*)
(xxiv)	Index Correction Period:	[As per Conditions/*specify*]
(xxv)	Additional Disruption Events:	(a) **[**(The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies.)* **[**Change in Law**]** **[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[**Increased Cost of Stock Borrow**]** **[**Loss of Stock Borrow**]** (b) **[[**The Trade Date is **[●]**.**]** (*N.B. only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)**]** (c) **[[**The Maximum Stock Loan Rate in respect of **[**specify in relation to each relevant Share**]** is **[●]**.**]** (*N.B. only applicable if Loss of Stock Borrow is applicable*)**]** (d) **[(**[The Initial Stock Loan rate in respect of **[**specify in relation to each relevant Share**]** is **[●]**.**]** (*N.B. only applicable if Increased Cost of Stock Borrow is applicable*)**]]**

		(e) Delayed Redemption on Occurrence of Additional Disruption Event: **[**Applicable/Not applicable**]**
(xxvi)	Market Disruption:	Specified Maximum Days of Disruption will be equal to [●]/[eight]: (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xxvii)	Delayed Redemption on Occurrence of Index Adjustment Event:	[Applicable/Not applicable]
(xxviii)	Other terms or special conditions:	Not applicable/*specify*
24.	Share Linked Interest Provisions	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Share(s)/Share Company/Basket of Shares:	**[●]**
(ii)	Relative Performance Basket:	**[**Not applicable/*specify***]**
(iii)	Share Currency:	**[***specify***]**
(iv)	ISIN of Share(s):	**[***specify***]**
(v)	Screen Page/Exchange Code:	**[***specify***]**
(vi)	Formula:	**[●] [***N.B. If Formula includes an initial closing price use term "Initial Price" for relevant definition***]**
(vii)	Settlement Price:	The Settlement Price will be calculated [insert Calculation Method]/[As set out in the Conditions] [Exchange Rate: [ ]]
(viii)	Disrupted Day:	If a Valuation Date, Observation Date or Averaging Date is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*]
(ix)	Calculation Agent responsible for calculating the interest due:	[Principal Paying Agent]/[Dealer]/[Other]/[Address]
(x)	Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable:	[●]
(xi)	Interest Period(s):	[●]
(xii)	Interest Period End Date(s):	**[●]**
	• Business Day Convention for Interest Period	**[**Following/Modified Following/Preceding/FRN/None**]**

	End Date(s):	
(xiii)	Interest Payment Date(s):	**[●]**
	• 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) 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*)
(xiv)	Day Count Fraction:	**[●]**
(xv)	Averaging:	Averaging **[**applies/does not apply**]** to the Notes. **[**The Averaging Dates are **[●]**.**]** **[**In the event that an Averaging Date is a Disrupted Day **[**Omission/Postponement/Modified Postponement**]** will apply.**]** **[**Modified Postponement**]** (*Only applicable if Modified Postponement is applicable as an Averaging election*) **[**Specified Maximum Days of Disruption will be equal to: **[●]**/**[**eight**]]** (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xvi)	Strike Date:	[●]
(xvii)	Coupon Valuation Date(s):	**[***specify***]**
(xviii)	Observation Date(s):	**[**The Observation Date(s) is/are **[●]**/Not applicable**]**.**]** **[**In the event that an Observation Date is a Disrupted Date/**[**Omission/Postponement/Modified Postponement**]** will apply.**]**
(xix)	Observation Period:	**[***specify*/Not applicable**]]**
(xx)	Exchange Business Day:	**[**(All Shares Basis)/(Per Share Basis)/(Single Share Basis)**]** (*standard election is All Shares Basis*)
(xxi)	Scheduled Trading Day:	**[**(All Shares Basis)/(Per Share Basis)/(Single Share Basis)**]** (*must match election made for Exchange Business Day*)
(xxii)	Exchange(s):	The relevant Exchange**[**s**]** **[**is/are**]** **[●]**.
(xxiii)	Related Exchange(s):	**[***specify*/All Exchanges**]**
(xxiv)	Weighting:	**[**Not applicable/The weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is **[●]**. Each such Weighting shall be subject to adjustment in the case of Share Linked Notes**]**/**[***specify***]**. (N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Shares)**]**

(xxv)	Valuation Time:	**[**Scheduled Closing Time/Any time **[**on the relevant Settlement Price Date/during the Observation Period.**]** **[**The Valuation Time is **[●]**, being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.**]** (*N.B. If no time is specified, the Coupon Valuation Time will be the Scheduled Closing Time*)
(xxvi)	Share Correction Period:	**[**As per Conditions/*specify***]**
(xxvii)	Additional Disruption Events:	(a) **[**The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[**Hedging Disruption**]** **[**Insolvency Filing**]** **[**Failure to Deliver due to Illiquidity**]** (*N.B. Only applicable in the case of Physical Delivery Notes - Failure to Deliver due to Illiquidity is applicable to certain Share Linked Notes. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Notes*) **[**Increased Cost of Hedging**]** **[**Increased Cost of Stock Borrow**]** **[**Loss of Stock Borrow**]** **[**Stop-Loss Event**]** **[**Stop-Loss Event Percentage: [●] per cent.**]** (b) **[[**The Trade Date is **[●]**.**]** (*N.B. Only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)**]** (c) **[[**The Maximum Stock Loan Rate in respect of **[**specify in relation to each relevant Share**]** is **[●]**.**]** (*N.B. Only applicable if Loss of Stock Borrow is applicable*)**]** (d) **[[**The Initial Stock Loan rate in respect of **[**specify in relation to each relevant Share**]** is **[●]**.**]** (*N.B. Only applicable if Increased Cost of Stock Borrow is applicable*)**]** (e) Delayed Redemption on Occurrence of Additional Disruption Event: **[**Applicable/Not applicable**]**
(xxviii)	Market Disruption:	Specified Maximum Days of Disruption will be equal to **[●]**/**[**eight**]**: (*If no Specified Maximum Days of Disruption is stated,*

			Specified Maximum Days of Disruption will be equal to eight)
	(xxix)	Tender Offer:	**[**Applicable/Not applicable**]**
	(xxx)	Listing Change:	**[**Applicable/Not applicable**]**
	(xxxi)	Listing Suspension:	**[**Applicable/Not applicable**]**
	(xxxii)	Illiquidity:	**[**Applicable/Not applicable**]**
	(xxxiii)	Delayed Redemption on the Occurrence of an Extraordinary Event:	**[**Applicable/Not applicable**]**
	(xxxiv)	Other terms or special conditions:	[Not applicable/*specify*]
25.	Inflation Linked Interest Provisions:		**[**Applicable/Not applicable**]**
			(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index:	**[●]**
			[Composite/non Composite**]**
	(ii)	Screen Page/Exchange Code:	**[●]**
	(iii)	Formula:	**[●]**
	(iv)	Calculation Agent responsible for calculating the interest due:	**[**Principal Paying Agent**]/[**Dealer**]/[**Other**] [**Address**]**
	(v)	Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable:	**[●]**
	(vi)	Interest Period(s):	**[●]**
	(vii)	Interest Period End Date(s):	**[●]**
		• Business Day Convention for Interest Period End Date(s):	[Following/Modified Following/Preceding/FRN/None]
	(viii)	Interest Payment Date(s):	**[●]**
		• 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) 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*)
	(ix)	Day Count Fraction:	**[●]**
	(x)	Cut-Off Date:	**[●]/[**Not applicable**]**

	(xi)	Related Bond:	**[●]**/Fall Back Bond
	(xii)	Issuer of Related Bond:	**[●]**/**[**Not applicable**]**
	(xiii)	Fall Back Bond:	**[**Applicable/Not applicable**]**
	(xiv)	Index Sponsor:	**[●]**
	(xv)	Related Bond Redemption Event:	**[**Applicable/Not applicable**]**
	(xvi)	Determination Valuation Date:	**[●]**
	(xvii)	Additional Disruption Events:	**[**The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[**The Trade Date is **[●]**.**]** (*N.B. Only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)**]**
	(xviii)	Other terms or special conditions:	**[●]**
26.	Commodity Linked Interest Provisions:		**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Commodity/Commodities/ Commodity Index/Commodity Indices:	**[●]** **[**The Sponsor[s] of the Commodity Index/Indices is/are **[●]]**
	(ii)	Pricing Date(s):	**[●]**
	(iii)	Formula:	**[●]**
	(iv)	Calculation Agent responsible for calculating the interest due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**]** **[**Address**]**
	(v)	Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable:	**[●]**
	(vi)	Interest Period(s):	**[●]**
	(vii)	Interest Period End Date(s):	**[●]**
		• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/FRN/None**]**
	(viii)	Interest Payment Date(s):	**[●]**

	• 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) 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*)
(ix)	Day Count Fraction:	**[●]**
(x)	Commodity Reference Price:	**[●]** The Price Source is/are **[●]**
(xi)	Delivery Date:	**[●]**
(xii)	Nearby Month:	**[●]**
(xiii)	Specified Price:	**[**high price**]** **[**low price**]** **[**average of the high price and the low price**]** **[**closing price**]** **[**opening price**]** **[**bid price**]** **[**asked price**]** **[**average of the bid price and the asked price**]** **[**settlement price**]** **[**official settlement price**]** **[**official price**]** **[**morning fixing**]** **[**afternoon fixing**]** **[**spot price**]** **[***other***]**
(xiv)	Exchange(s):	The relevant Exchange**[**s**]** **[**is/are**]** **[●]**.
(xv)	Specified Maximum Days of Disruption:	**[●]**/**[**two**]** (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to two) (applicable only to Price Source Disruption or Trading Disruption*)
(xvi)	Disruption Fallback(s):	**[●]**/**[**Not applicable**]**/**[**As per Commodity Linked Conditions**]**
(xvii)	Additional Disruption Events:	**[**(The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]**

			[Hedging Disruption**]**
			[Increased Cost of Hedging**]**
			[[The Trade Date is **[●]**.**]**
	(xviii)	Weighting:	The Weighting to be applied to each item comprising the Commodity Basket is **[●]**
	(xix)	Other terms or special conditions:	[Not applicable/*specify*]
27.	Fund Linked Interest Provisions:		**[**Applicable/Not applicable**]**
	(i)	Fund:	**[●]**
			[The **[●]** Fund is an ETF**]**[4]
	(ii)	Fund Shares:	**[●]**
	(iii)	Exchange(s) (only applicable to ETFs):	**[●]**/**[**Not applicable**]**
	(iv)	Related Exchange (only applicable to ETFs):	**[●]**/**[**All Exchanges**]**/**[**Not applicable**]**
	(v)	Scheduled Trading Day (only applicable to ETFs):	**[**All Fund Share Basis**]**/**[**Per Fund Share Basis**]**/**[**Single Fund Share Basis**]**
	(vi)	Fund Documents:	**[●]**
	(vii)	Fund Business Day:	**[**All Fund Share Basis**]**/**[**Per Fund Share Basis**]**/**[**Single Fund Share Basis**]**
	(viii)	Fund Service Provider:	**[**As per Conditions**]**/**[●]**
	(ix)	Calculation Date(s):	**[**As per Conditions**]**/**[●]**
	(x)	Initial Calculation Date:	**[●]**/**[**Not applicable**]**
	(xi)	Final Calculation Date:	**[●]**/**[**Not applicable**]**
	(xii)	NAV Barrier:	**[●]**
	(xiii)	NAV Trigger Percentage:	**[**As per Conditions**]**/**[●]**
	(xiv)	NAV Trigger Period:	**[●]**
	(xv)	Number of NAV Publication Days:	**[●]**
	(xvi)	Cash Facility and Spread:	**[**Overnight USD LIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[**Overnight EURIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[**3 month USD LIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[**3 month EURIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[***specify***]**
	(xvii)	Formula:	**[●]**
	(xviii)	Calculation Agent responsible for calculating the interest due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other **[**Address**]**
	(xix)	Provisions for determining coupon where calculation by reference to Formula is impossible or	**[●]**

[4] Specify each ETF (if any).

	impracticable:	
(xx)	Interest Period(s):	**[●]**
(xxi)	Interest Period End Date(s):	**[●]**
	• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/FRN/None**]**
(xxii)	Interest Payment Date(s):	**[●]**
	• 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) 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*)
(xxiii)	Day Count Fraction:	**[●]**
(xxiv)	Additional Extraordinary Fund Event(s):	**[●]** (*Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event*)
(xxv)	Basket Trigger Level:	**[●]/[**As per Conditions**]**
(xxvi)	Coupon Valuation Date:	**[●]**
(xxvii)	Valuation Date (only applicable to ETFs):	**[●]**
(xxviii)	Valuation Time (only applicable to ETFs):	**[●]**
(xxix)	Consequences of Extraordinary Fund Event:	**[***specify***]/[**As per Conditions**]**
(xxx)	Termination Amounts:	**[**Delta-1 Termination Amount**]/[**Principal Protected Termination Amount**]/[**Non-Principal Protected Termination Amount**]/[***specify***]/[**Not applicable**]**
(xxxi)	Delta-1 Termination Amount:	**[●]**
(xxxii)	Portfolio:	**[●]/[**Not applicable**]**
(xxxiii)	Simple Interest Spread:	**[●]**
(xxxiv)	Termination Date:	**[●]**
(xxxv)	Delayed Redemption on Occurrence of Extraordinary Fund Event:	**[**Applicable**]/[**Not applicable**]**
(xxxvi)	Delayed Payment Cut-Off Date:	**[***specify***]/[**As per Conditions**]**
(xxxvii)	Weighting:	The Weighting to be applied to each Fund Share comprising the Fund Basket is **[●]**
(xxxviii)	Other terms or special conditions:	[Not applicable/*specify*]

28.	GDR/ADR Linked Interest Provisions:	**[**Applicable/Not applicable**]** (*For GDR/ADR Linked Interest Notes complete sections for Share Linked Interest Notes (paragraph 24) (completed and amended as appropriate) and GDR/ADR Linked Interest Notes (paragraph 29)*)
29.	Custom Index Linked Interest Notes:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Custom Index/Index Sponsor:	**[●]**
(ii)	Screen Page:	**[●]**
(iii)	Formula:	**[***specify***]**
(iv)	Settlement Price:	The Settlement Price will be calculated as per Conditions/**[●] [***insert calculation method***]**
(v)	Disrupted Day:	If a Coupon Valuation Date, Observation Date or Averaging Date is a Disrupted Day, the Settlement Price will be calculated **[***insert calculation method***]**
(vi)	Calculation Agent responsible for calculating the interest due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**] [**Address**]**
(vii)	Provisions for determining coupon where calculation by reference to Formula is impossible/impracticable:	**[●]**
(viii)	Interest Period(s):	**[●]**
(ix)	Interest Period End Date(s):	**[●]**
	• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/FRN/None**]**
(x)	Interest Payment Date(s):	**[●]**
	• 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) 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*)
(xi)	Day Count Fraction:	**[●]**
(xii)	Averaging:	Averaging **[**applies/does not apply**]** to the Notes. **[**The Averaging Dates are **[●]**.**]** **[**In the event that an Averaging Date is a Disrupted

		Day, Condition 2(B) of Custom Index Linked Conditions will apply.**]** **[**Specified Maximum Days of Disruption will be equal to: **[●]**/**[**twenty**]]** (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*)
(xiii)	Strike Date:	**[●]**
(xiv)	Strike Price:	The Strike Price will be calculated as per Conditions/**[●]** **[***insert calculation method***]**
(xv)	Coupon Valuation Date:	**[●]**
(xvi)	Observation Date(s):	**[[●]**/Not applicable**]]** **[**In the event that an Observation Date is a Disrupted Day, Condition 2(B) of Custom Index Linked Conditions will apply.**]**
(xvii)	Observation Period:	**[[●]**/Not applicable**]]**
(xviii)	Custom Index Business Day:	**[**(All Custom Indices Basis)/(Per Custom Index Basis)(Single Custom Index Basis)**]**
(xix)	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*)
(xx)	Weighting:	**[**Not applicable/The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is **[●]**. Each such Weighting shall be subject to adjustment in the case of Custom Index Linked Notes**]**/**[***specify***]**. (*N.B. Only applicable in relation to Cash Settled Notes relating to a Basket*)**]**
(xxi)	Valuation Time:	**[**As per the Conditions**]**/**[[●]**, being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.**]** (*N.B. If no time is specified, the Valuation Time will be as per the Conditions*)
(xxii)	Custom Index Correction Period:	**[**As per Conditions**]**/**[[●]***specify***]**
(xxiii)	Additional Disruption Events:	(a) **[**(The following Additional Disruption Events apply to the Notes:**]** (Specify each of the following which applies.) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Loss of Stock Borrow] [Force Majeure Event] (b) **[[**The Trade Date is **[●]**.**]**

		(*N.B. Only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)
		(c) **[[**The Maximum Stock Loan Rate in respect of [specify in relation to each relevant index component] is **[●]]**
		(*N.B. Only applicable if Loss of Stock Borrow is applicable*)
		(d) **[(**[The Initial Stock Loan rate in respect of **[**specify in relation to each relevant index component**]** is **[●]**.**]**
		(*N.B. Only applicable if Increased Cost of Stock Borrow is applicable*)
		(e) Delayed Redemption on Occurrence of Additional Disruption Event: **[**Applicable with a rate of **[●]** per cent. per annum/Not applicable**]**
(xxiv)	Custom Index Disruption Event:	Specified Maximum Days of Disruption will be equal to **[●]**/**[**twenty**]** (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*)
(xxv)	Delayed Redemption on Occurrence of Custom Index Adjustment Event:	**[**Applicable with a rate of **[●]** per cent. per annum/Not applicable**]**
(xxvi)	Other terms or special conditions:	**[**Not applicable/[●]**]**
30.	Foreign Exchange (FX) Rate Linked Interest Provisions:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	The relevant base currency (the "**Base Currency**") is:	**[***specify***]**
(ii)	The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]:	**[***specify***]**
(iii)	Weighting:	**[***specify***]**
(iv)	Formula:	**[●]**
(v)	Price Source:	**[***specify***]**
(vi)	Disruption Event:	Specified Maximum Days of Disruption will be equal to [●]/[five] *(If no specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)*
(vii)	Calculation Agent	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other **[**Address**]**

	responsible for calculating the interest due:	
(viii)	Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable:	**[●]**
(ix)	Delayed Redemption on the occurrence of a Disruption Event:	[Applicable/Not applicable]
(x)	Interest Period(s):	**[●]**
(xi)	Interest Period End Date(s):	**[●]**
	• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/FRN/None**]**
(xii)	Interest Payment Date(s):	**[●]**
	• 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) 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*)
(xiii)	Day Count Fraction:	**[●]**
(xiv)	Relevant Screen Page:	**[***specify***]**
(xv)	Coupon Valuation Time:	**[***specify***]**
(xvi)	Coupon Valuation Date:	**[●]**
(xvii)	Additional Disruption Events:	**[**(The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[[**The Trade Date is **[●]**.**]**
(xviii)	Other terms or special conditions:	**[●]**
31.	Formula Linked Interest Provisions:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Formula:	**[●]**
(ii)	Calculation Agent responsible for calculating	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**]**/**[**Address**]**

	the interest due:	
(iii)	Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable:	**[●]**
(iv)	Interest Period(s):	**[●]**
(v)	Interest Period End Date(s):	**[●]**
	• Business Day Convention for Interest Period End Date(s):	**[**Following/Modified Following/Preceding/FRN/None**]**
(vi)	Interest Payment Date(s):	**[●]**
	• 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) 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)	Day Count Fraction:	**[●]**
(viii)	Interest Determination Date(s):	**[●]**
(ix)	Other terms relating to the method of calculating interest:	**[**Not applicable/*specify***]**
32.	Additional Business Centre(s) (Condition 3(b)):	**[●]**

PROVISIONS RELATING TO REDEMPTION

33.	Issuer Call Option:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	**[●]**
(ii)	Optional Redemption Valuation Date(s):	**[●]**
(iii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	**[●]** per Calculation Amount
(iv)	If redeemable in part:	
	(a) Minimum Redemption Amount:	**[●]**
	(b) Higher	**[●]**

		Redemption Amount:	
	(v)	Notice period (if other than as set out in the Conditions):	**[●]**
34.	Noteholder Put Option:		**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	**[●]**
	(ii)	Optional Redemption Valuation Date(s):	**[●]**
	(iii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	**[●]** per Calculation Amount
	(iv)	Notice period (if other than as set out in the Conditions):	**[●]**
35.	Final Redemption Amount:		**[[●]** per Calculation Amount/*see below***]** The **[**Index/Share/Inflation/Commodity/Fund/ GDR/ADR/Custom Index/Foreign Exchange Rate/ Formula**]** Linked Redemption Amount specified below**]** **[**Physical Settlement: **[**Applicable/Not applicable**]]**
36.	Index Linked Redemption Amount:		**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index/Basket of Indices:	**[●]** **[**Composite/non Composite**]**
	(ii)	Index Currency:	**[***specify***]**
	(iii)	Screen Page:	**[***specify***]**
	(iv)	Formula:	**[●]**
	(v)	Settlement Price:	The Settlement Price will be calculated **[**insert calculation method**]** / **[**As set out in the Conditions**]**
	(vi)	Disrupted Day:	If a relevant Settlement Price Date or an Averaging Date is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
	(vii)	Calculation Agent responsible for calculating the redemption amount due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**]**/**[**Address**]**
	(viii)	Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable:	**[●]**
	(ix)	Strike Date:	**[●]**

(x)	Averaging:	Averaging **[**applies/does not apply**]** to the Notes. **[**The Averaging Dates are **[●]**.**]** **[**In the event that an Averaging Date is a Disrupted Day **[**Omission/Postponement/Modified Postponement**]** will apply.**]** **[**Modified Postponement**]** (*Only applicable if Modified Postponement is applicable as an Averaging election*) **[**Specified Maximum Days of Disruption will be equal to: **[●]**/**[**eight**]]** (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xi)	Redemption Valuation Date:	**[***specify***]**
(xii)	Observation Date(s):	**[**The Observation Date(s) is/are **[●]**/Not applicable**]**.**]** **[**In the event that an Observation Date is a Disrupted Date/**[**Omission/Postponement/Modified Postponement**]** will apply.**]**
(xiii)	Observation Period:	**[***specify*/Not applicable**]]**
(xiv)	Exchange Business Day:	**[**(All Indices Basis)/(Per Index Basis)/(Single Index Basis)**]** (*standard election is All Indices Basis*)
(xv)	Scheduled Trading Day:	**[**(All Indices Basis)/(Per Index Basis)/(Single Index Basis)**]** (*must match election made for Exchange Business Day*)
(xvi)	Exchange(s) and Index Sponsor:	(a) the relevant Exchange**[**s**]** **[**is/are**]** **[●]**; and (b) the relevant Index Sponsor is **[●]**.
(xvii)	Related Exchange:	**[***specify*/All Exchanges**]**
(xviii)	Weighting:	**[**Not applicable/The Weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is **[●]**. Each such Weighting shall be subject to adjustment in the case of Index Linked Notes**]**/**[***specify***]**. (N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices)**]**
(xix)	Valuation Time:	**[**Scheduled Closing Time**]**/**[**Any time **[**on the relevant Settlement Price Date /during the Observation Period.**]** **[[●]**, being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.**]** (*N.B. If no time specified, the Valuation Time will be the Scheduled Closing Time*)
(xx)	Index Correction Period:	[As per Conditions/[*specify*]

(xxi)	Additional Disruption Events:	(a)	**[**The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[**Increased Cost of Stock Borrow**]** **[**Loss of Stock Borrow**]**
		(b)	**[[**The Trade Date is **[●]**.**]** (*N.B. Only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)**]**
		(c)	**[[**The Maximum Stock Loan Rate in respect of **[***specify in relation to each relevant security***]** is **[●]**.**]** (*N.B. Only applicable if Loss of Stock Borrow is applicable*)**]**
		(d)	**[[**The Initial Stock Loan rate in respect of **[**specify in relation to each relevant security**]** is **[●]**.**]** (*N.B. only applicable if Increased Cost of Stock Borrow is applicable*)**]]**
		(e)	Delayed Redemption on Occurrence of Additional Disruption Event: **[**Applicable/Not applicable**]**
(xxii)	Market Disruption:		Specified Maximum Days of Disruption will be equal to **[●]**/**[**eight**]**: (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xxiii)	Knock-in Event:		**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level/["within]**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) **[**In the event that a Knock-in Determination Day is a Disrupted Day, **[**Omission/Postponement/Modified Postponement**]** will apply.**]**
	(a) Knock-in Level/Knock-in Range Level:		**[**[From and including][From and excluding][*specify*][To and including]/[To but excluding]/[*specify*]**]**
	(b) Knock-in Period Beginning Date:		**[**Not applicable**]**/**[***specify***]**
	(c) Knock-in Period Beginning Date Scheduled Trading Day		**[**Applicable/Not applicable**]**

	Convention:	
(d)	Knock-in Determination Period:	**[***specify*/Each Scheduled Trading Day in the Knock-in Determination Period**]**
(e)	Knock-in Determination Day(s):	**[***specify*/Each Scheduled Trading Day in the Knock-in Determination Period**]**
(f)	Knock-in Period Ending Date:	**[**Not applicable**]/[***specify***]**
(g)	Knock-in Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
(h)	Knock-in Valuation Time:	**[**Scheduled Closing Time**]/[**Any time on a Knock-in Determination Day.**]**
(xxiv)	Knock-out Event:	**[**Not applicable/*specify* /**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) **[**In the event that a Knock-in Determination Day is a Disrupted Day, **[**Omission/Postponement/Modified Postponement**]** will apply.**]**
(a)	Knock-out Level:	**[***specify***]**
(b)	Knock-out Period Beginning Date:	**[**Not applicable/*specify***]**
(c)	Knock-out Period Beginning Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
(d)	Knock-out Determination Period:	**[***specify***]**
(e)	Knock-out Determination Day(s):	**[***specify*/Each Scheduled Trading Day in the Knock-out Determination Period**]**
(f)	Knock-out Period Ending Date:	**[**Not applicable/*specify***]**
(g)	Knock-out Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
(h)	Knock-out Valuation Time:	**[**Scheduled Closing Time**]/[**Any time on a Knock-out Determination Day.**]**
(xxv)	Automatic Early Redemption Event:	**[***specify*/See definition in Condition 6 of the Index Linked Conditions.**]**

		(a) Automatic Early Redemption Amount:	**[***specify***]**
		(b) Automatic Early Redemption Date(s):	**[***specify*/see definition in Condition 6 of the Index Linked Conditions**]**
		(c) Automatic Early Redemption Level:	**[***specify***]**
		(d) Automatic Early Redemption Rate:	**[***specify***]**
		(e) Automatic Early Redemption Valuation Date(s):	**[***specify***]**
			[In the event that an Automatic Early Redemption Valuation Date is a Disrupted Day, **[**Omission/Postponement/Modified Postponement**]** will apply**]**
	(xxvi)	Delayed Redemption on Occurrence of Index Adjustment Event:	**[**Applicable/Not applicable**]**
	(xxvii)	Other terms or special conditions:	**[**Not applicable/*specify***]**
37.	Share Linked Redemption Amount:		**[**Applicable/Not applicable**]**
			(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Share(s)/Share Company/Basket Company:	**[●]**
	(ii)	Relative Performance Basket:	**[**Not applicable/*specify***]**
	(iii)	Share Currency:	**[***specify***]**
	(iv)	ISIN of Share(s):	**[***specify***]**
	(v)	Screen Page/Exchange Code:	**[***specify***]**
	(vi)	Formula:	**[●] [***N.B. If Formula includes initial closing price use term "Initial Price" for relevant definition***]**
	(vii)	Settlement Price:	The Settlement Price will be calculated **[**insert calculation method**]**/**[**As set out in the Conditions**]**
			[Exchange Rate: **[ ]]**
	(viii)	Disrupted Day:	If the relevant Settlement Price Date or an Averaging Date, as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
	(ix)	Calculation Agent responsible for calculating	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**] [**Address**]**

	the redemption amount due:	
(x)	Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable:	**[●]**
(xi)	Strike Date:	**[●]**
(xii)	Averaging:	Averaging **[**applies/does not apply**]** to the Notes. **[**The Averaging Dates are **[●]**.**]** **[**In the event that an Averaging Date is a Disrupted Day **[**Omission/Postponement/Modified Postponement**]** will apply.**]** **[**Modified Postponement**]** (*Only applicable if Modified Postponement is applicable as an Averaging election*) **[**Specified Maximum Days of Disruption will be equal to: **[●]**/**[**eight**]]** (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xiii)	Redemption Valuation Date:	**[***specify***]**
(xiv)	Observation Date(s):	**[**The Observation Date(s) is/are **[●]**/Not applicable**]**.**]** **[**In the event that an Observation Date is a Disrupted Date/**[**Omission/Postponement/Modified Postponement**]** will apply.**]**
(xv)	Observation Period:	**[***specify***/**Not applicable**]**
(xvi)	Exchange Business Day:	**[**(All Shares Basis)/(Per Share Basis)/(Single Share Basis)**]** (*standard election is All Shares Basis*)
(xvii)	Scheduled Trading Day:	**[**(All Shares Basis)/(Per Share Basis)/(Single Share Basis)**]** (*must match election made for Exchange Business Day*)
(xviii)	Exchange(s):	The relevant Exchange**[**s**]** **[**is/are**]** **[●]**.
(xix)	Related Exchange(s):	**[***specify*/All Exchanges**]**
(xx)	Weighting:	**[**Not applicable/The Weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is **[●]**. Each such Weighting shall be subject to adjustment in the case of Share Linked Notes**]**/**[***specify***]**. (N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Shares)**]**
(xxi)	Valuation Time:	**[**Scheduled Closing Time/Any time **[**on the relevant Settlement Price Date /during the Observation Period.**]** **[**The Valuation Time is **[●]**, being the time specified on the relevant Settlement Price Date or an Averaging

		Date, as the case may be, for the calculation of the Settlement Price.**]** (*N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time*).
(xxii)	Share Correction Period:	**[**As per Conditions/*specify***]**
(xxiii)	Additional Disruption Events:	(a) **[**The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[**Hedging Disruption**]** **[**Failure to Deliver due to Illiquidity**]** (*N.B. Only applicable in the case of Physical Delivery Notes - Failure to Deliver due to Illiquidity is applicable to certain Share Linked Notes. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Notes*) **[**Increased Cost of Hedging**]** **[**Increased Cost of Stock Borrow**]** **[**Insolvency Filing**]** **[**Loss of Stock Borrow**]** **[**Stop-Loss Event**]** **[**Stop-Loss Event Percentage: [5] per cent.**]** (b) **[[**The Trade Date is: **[●]**. (*N.B. Only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)**]** (c) **[[**The Maximum Stock Loan Rate in respect of **[**specify in relation to each relevant Share**]** is **[●]**.**]** (*N.B. Only applicable if Loss of Stock Borrow is applicable*)**]** (d) **[[**The Initial Stock Loan rate in respect of **[**specify in relation to each relevant Share**]** is **[●]**.**]** (*N.B. Only applicable if Increased Cost of Stock Borrow is applicable*)**]** (e) Delayed Redemption on Occurrence of Additional Disruption Event: [Applicable/Not applicable]
(xxiv)	Market Disruption:	Specified Maximum Days of Disruption will be equal to **[●]**/**[**eight**]** (*If no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
(xxv)	[Tender Offer:	**[**Applicable/Not applicable**]]**
(xxvi)	Delayed Redemption on	**[**Applicable/Not applicable**]**

	the Occurrence of an Extraordinary Event:	
(xxvii)	Listing Change:	**[**Applicable/Not applicable**]**
(xxviii)	Listing Suspension:	**[**Applicable/Not applicable**]**
(xxix)	Illiquidity:	**[**Applicable/Not applicable**]**
(xxx)	Knock-in Event:	**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Price**]**["within"]**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) **[**In the event that a Knock-in Determination Day is a Disrupted Day, **[**Omission/Postponement/Modified Postponement**]** will apply.**]**
	(a) Knock-in Price/Knock-in Range Price:	**[**/[From and including]/[From and excluding]/[*specify*]/[To and including]/[To but excluding]/[*specify*]**]**
	(b) Knock-in Period Beginning Date:	**[**Not applicable/*specify***]**
	(c) Knock-in Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(d) Knock-in Determination Period:	**[***specify***]**
	(e) Knock-in Determination Day(s):	**[***specify*/Each Scheduled Trading Day in the Knock-in Determination Period**]**
	(f) Knock-in Period Ending Date:	**[**Not applicable/*specify***]**
	(g) Knock-in Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(h) Knock-in Valuation Time:	**[**Scheduled Closing Time**]**/**[**Any time on a Knock-in Determination Day.**]**
	(i) Knock-in Number of Shares:	**[***specify*/See definition in Condition 5 of the Share Linked Conditions**]**
(xxxi)	Knock-out Event:	**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Price**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

			[In the event that a Knock-out Determination Day is a Disrupted Day, **[**Omission/Postponement/Modified Postponement**]** will apply.**]**
	(a)	Knock-out Price:	**[***specify***]**
	(b)	Knock-out Period Beginning Date:	**[**Not applicable/*specify***]**
	(c)	Knock-out Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(d)	Knock-out Determination Period:	**[***specify***]**
	(e)	Knock-out Determination Day(s):	**[***specify*/Each Scheduled Trading Day in the Knock-out Determination Period**]**
	(f)	Knock-out Period Ending Date:	**[**Not applicable/*specify***]**
	(g)	Knock-out Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(h)	Knock-out Valuation Time:	**[**Scheduled Closing Time**]**/**[**Any time on a Knock-out Determination Day.**]**
	(i)	Knock-out Number of Shares:	**[***specify*/See definition in Condition 5 of the Share Linked Conditions**]**
(xxxii)	Automatic Early Redemption Event:		**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to"**]** Automatic Early Redemption Price**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Automatic Early Redemption Amount:	**[***specify*/See definition in Condition 6 of the Share Linked Conditions**]**
	(b)	Automatic Early Redemption Date(s):	**[***specify*/see definition in Condition 6 of the Share Linked Conditions**]**
	(c)	Automatic Early Redemption Price:	**[***specify***]**
	(d)	Automatic Early Redemption Rate:	**[***specify***]**
	(e)	Automatic Early Redemption Valuation Date(s):	**[***specify***]** **[**In the event that the Automatic Early Redemption Valuation Date is a Disrupted Day, **[**Omission/Postponement/Modified Postponement**]** will

			apply
	(xxxiii)	Other terms or special conditions:	**[**Not applicable/*specify***]**
38.	Inflation Linked Redemption Amount:		[Applicable/Not applicable]
	(i)	Index/Indices:	**[●]** [Composite/non Composite]
	(ii)	Formula:	**[●]**
	(iii)	Calculation Agent responsible for calculating the redemption amount due:	[Principal Paying Agent]/[Dealer]/[Other] [Address]
	(iv)	Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable:	**[●]**
	(v)	Cut-Off Date:	**[●]**/[Not applicable]
	(vi)	Related Bond:	**[●]**/Fall Back Bond
	(vii)	Issuer of Related Bond:	**[●]**/[Not applicable]
	(viii)	Fall Back Bond:	[Applicable/Not applicable]
	(ix)	Index Sponsor:	**[●]**
	(x)	Related Bond Redemption Event:	[Applicable/Not applicable]
	(xi)	Determination Date:	**[●]**
	(xii)	Additional Disruption Events:	**[**(The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[**The Trade Date is [●].**]**) (*N.B. Only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)
	(xiii)	Other terms or special conditions:	[Not applicable/*specify*]
39.	Commodity Linked Redemption Amount:		**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Formula:	**[●]**
	(ii)	Commodity/Commodities/ Commodity Index/Commodity Indices:	**[●]** **[**The Sponsor[s] of the Commodity Index/Indices is/are **[●]]**

(iii)	Pricing Date(s):	**[●]**
(iv)	Calculation Agent responsible for calculating the redemption amount due:	**[**Principal Paying Agent**]/[**Dealer**]/[**Other**] [**Address**]**
(v)	Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable:	**[●]**
(vi)	Commodity Reference Price:	**[●]** The Price Source is/are: **[●]**
(vii)	Delivery Date:	**[●]**
(viii)	Nearby Month:	**[●]**
(ix)	Specified Price:	**[**high price**]** **[**low price**]** **[**average of the high price and the low price**]** **[**closing price**]** **[**opening price**]** **[**bid price**]** **[**asked price**]** **[**average of the bid price and the asked price**]** **[**settlement price**]** **[**official settlement price**]** **[**official price**]** **[**morning fixing**]** **[**afternoon fixing**]** **[**spot price**]** **[***other***]**
(x)	Exchange(s):	the relevant Exchange**[**s**] [**is/are**] [●]**
(xi)	Specified Maximum Days of Disruption:	**[●]/[**two**]** (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to two) (applicable only to Price Source Disruption or Trading Disruption*)
(xii)	Disruption Fallback(s):	**[[●]**/Not applicable**]**
(xiii)	Knock-in Event:	**[**Not 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*)
(xiv)	Knock-in Price:	**[***specify***]**

(xv)	Knock-in Period Beginning Date:	**[***specify***]**
(xvi)	Knock-in Period Beginning Date Commodity Business Day Convention:	**[**Not applicable/Applicable**]**
(xvii)	Knock-in Determination Period:	**[***specify***]**
(xviii)	Knock-in Determination Day(s):	**[***specify*/Each Commodity Business Day in the Knock-in Determination Period**]**
(xix)	Knock-in Period Ending Date:	**[***specify***]**
(xx)	Knock-in Period Ending Date Commodity Business Day Convention:	**[**Not applicable/Applicable**]**
(xxi)	Knock-in Valuation Time:	**[**Close of trading on the Exchange**][**Continuous observation**]**[*specify*]
(xxii)	Knock-out Event:	**[**Not 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*)
(xxiii)	Knock-out Price:	**[***specify***]**
(xxiv)	Knock-out Period Beginning Date:	**[***specify***]**
(xxv)	Knock-out Period Beginning Date Commodity Business Day Convention:	**[**Not applicable/Applicable**]**
(xxvi)	Knock-out Determination Period:	**[***specify***]**
(xxvii)	Knock-out Determination Day(s):	**[***specify*/Each Commodity Business Day in the Knock-out Determination Period**]**
(xxviii)	Knock-out Period Ending Date:	**[***specify***]**
(xxix)	Knock-out Period Ending Date Commodity Business Day Convention:	**[**Not applicable/Applicable**]**
(xxx)	Knock-out Valuation Time:	**[**Close of trading on the Exchange**][**Continuous observation**]**[*specify*]
(xxxi)	Automatic Early Redemption Event:	**[**Not 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*)
(xxxii)	Automatic Early Redemption Amount:	**[***specify***]**
(xxxiii)	Automatic Early Redemption Date(s):	**[***specify***]**

	(xxxiv)	Automatic Early Redemption Price:	**[***specify***]**
	(xxxv)	Automatic Early Redemption Rate:	**[***specify***]**
	(xxxvi)	Automatic Early Redemption Valuation Date(s):	**[***specify***]**
	(xxxvii)	Additional Disruption Events:	**[**(The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[**The Trade Date is **[●].]**)
	(xxxviii)	Delayed Redemption on Occurrence of Additional Disruption Event:	**[**Applicable/Not applicable**]**
	(xxxix)	Weighting:	The Weighting to be applied to each item comprising the Commodity Basket is **[●]**
	(xl)	Other terms or special conditions:	[Not applicable/*specify*]
40.	Fund Linked Redemption Amount:		**[**Applicable/Not applicable**]**
	(i)	Fund:	**[●]** **[**The **[●]** Fund is an ETF**]**[5]
	(ii)	Fund Share(s):	**[●]**
	(iii)	Exchange(s) (only applicable to ETF):	**[●]**/**[**Not applicable**]**
	(iv)	Related Exchange (only applicable to ETFs):	**[●]**/**[**All Exchanges**]**/**[**Not applicable**]**
	(v)	Scheduled Trading Day (only applicable to ETFs):	**[**All Fund Share Basis**]**/**[**Per Fund Share Basis**]**/**[**Single Fund Share Basis**]**
	(vi)	Fund Documents:	**[●]**
	(vii)	Fund Business Day:	**[**All Fund Share Basis**]**/**[**Per Fund Share Basis**]**/**[**Single Fund Share Basis**]**
	(viii)	Fund Service Provider:	**[**As per Conditions**]**/**[●]**
	(ix)	Calculation Date(s):	**[**As per Conditions**]**/**[●]**
	(x)	Initial Calculation Date:	**[●]**/**[**Not applicable**]**
	(xi)	Final Calculation Date:	**[●]**/**[**Not applicable**]**
	(xii)	Fund Business Day:	**[***specify***]**/**[**As per Conditions**]**
	(xiii)	Fund Service Provider:	**[***specify***]** /**[**As per Conditions**]**
	(xiv)	Calculation Date(s):	**[**As per Conditions/**●]**

[5] Specify each ETF (if any).

(xv)	Initial Calculation Date:	**[**●]/**[**Not applicable**]**
(xvi)	Final Calculation Date:	**[**●]/**[**Not applicable**]**
(xvii)	Portfolio:	**[**●**]**/**[**Not applicable**]**
(xviii)	Cash Facility and Spread:	**[**Overnight USD LIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[**Overnight EURIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[**3 month USD LIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[**3 month EURIBOR Facility – **[**Spread of + ● bps /- ● bps**]]**/**[***specify***]**
(xix)	Protected Amount:	**[***specify***]**
(xx)	Zero Coupon Curve:	**[**●**]**
(xxi)	NAV Barrier:	**[**●**]**
(xxii)	NAV Trigger Percentage:	**[**As per Conditions**]**/**[**●**]**
(xxiii)	NAV Trigger Period:	**[**●**]**
(xxiv)	Number of NAV Publication Days:	**[**●**]**
(xxv)	Calculation Agent responsible for calculating the Final Redemption Amount due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**]** **[**Address**]**
(xxvi)	Basket Trigger Level:	**[**●**]**/**[**As per Conditions**]**
(xxvii)	Valuation Date (only applicable to ETFs):	**[**●**]**
(xxviii)	Valuation Time (only applicable to ETFs):	**[**●**]**
(xxix)	Additional Extraordinary Fund Event(s):	**[**●**]** (*Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event*)
(xxx)	Consequences of Extraordinary Fund Event:	**[***specify***]**/**[**As per Conditions**]**
(xxxi)	Termination Amounts:	**[**Delta-1 Termination Amount**]**/**[**Principal Protected Termination Amount**]**/**[**Non-Principal Protected Termination Amount**]** **[***specify***]**/**[**Not applicable**]**
(xxxii)	Delta-1 Termination Amount:	**[**●**]**
(xxxiii)	Spread:	**[***specify***]**
(xxxiv)	Termination Date:	**[***specify***]**
(xxxv)	Knock-in Event:	**[**Not applicable/*specify*/**[**"greater than"/" "greater than or equal to"/" "less than"/" "less than or equal to"**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Knock-in Price:	**[***specify***]**
	(b) Knock-in Period Beginning Date:	**[***specify***]**
	(c) Knock-in	**[***specify***]**

	Determination Period:	
(d)	Knock-in Determination Day(s):	**[***specify*/Each Scheduled Trading Day in the Knock-in Determination Period**]**
(e)	Knock-in Period Beginning Date Scheduled Trading Day Convention:	**[**Not applicable/Applicable**]**
(f)	Knock-in Period Ending Date:	**[***specify***]**
(g)	Knock-in Period Ending Date Scheduled Trading Day Convention:	**[**Not applicable/Applicable**]**
(h)	Knock-in Valuation Time:	**[**Close of trading on the Exchange**][**Continuous observation**]**
(xxxvi)	Knock-out Event:	**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to"**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	Knock-out Price:	**[***specify***]**
(b)	Knock-out Period Beginning Date:	**[***specify***]**
(c)	Knock-out Determination Period:	**[***specify***]**
(d)	Knock-out Determination Day(s):	**[***specify*/Each Scheduled Trading Day in the Knock-out Determination Period**]**
(e)	Knock-out Period Beginning Date Scheduled Trading Day Convention:	**[**Not applicable/Applicable**]**
(f)	Knock-out Period Ending Date:	**[***specify***]**
(g)	Knock-out Period Ending Date Scheduled Trading Day Convention:	**[**Not applicable/Applicable**]**
(h)	Knock-out Valuation Time:	**[**Close of trading on the Exchange**][**Continuous observation**]**
(xxxvii)	Automatic Early Redemption Event:	**[**Not applicable/*specify*/**[**"greater than"/" "greater than or equal to"/"less than"/" "less than or equal to"**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	Automatic Early Redemption Amount:	**[***specify***]**
(b)	Automatic Early Redemption Date(s):	**[***specify***]**

(c)	Business Day Convention:	**[**Following/Modified Following/Preceding/None/Not applicable**]**
(d)	Automatic Early Redemption Price:	**[***specify***]**
(e)	Automatic Early Redemption Rate:	**[***specify***]**
(f)	Automatic Early Redemption Valuation Date(s):	**[***specify***]**
(xxxviii)	Delayed Redemption on Occurrence of Extraordinary Fund Event:	**[**Applicable**]**/**[**Not applicable**]**
(xxxix)	Delayed Payment Cut-Off Date:	**[***specify***]**/**[**As per Conditions**]**
(xl)	Weighting:	The Weighting to be applied to each Fund Share comprises the Fund Basket is **[●]**
(xli)	Other terms or special conditions:	[Not applicable/*specify*]

41. Credit Linked Notes: [Applicable/Not applicable]

(i)	Type of Credit Linked Notes	[Single Reference Entity CLN] [Nth-to-Default CLN] [Linear Basket CLN] [Other]
	Substitution:	[Not Applicable] [Applicable]
(ii)	Transaction Type:	[●]
(iii)	Trade Date:	[●]
(iv)	Scheduled Maturity Date	[●]
(v)	Calculation Agent responsible for making calculation and determinations pursuant to Annex 6 (*Credit Linked Conditions*):	[●]
(vi)	Reference Entity(ies):	[●] [Reference Entity Notional Amount [●]]
(vii)	Reference Obligation(s):	

The obligation identified as follows

Primary Obligor:	[●]
Maturity:	[●]
Coupon:	[●]
CUSIP/ISIN:	[●]
Original Issue Amount:	[●]

(viii)	Settlement Method:	[Auction Settlement] [Cash Settlement] [Physical Settlement]
(ix)	Fallback Settlement Method	[Cash Settlement] [Physical Settlement]
(x)	Settlement Currency	[●]
(xi)	Merger Event:	[Credit Linked Condition 2(c) [Applicable/Not Applicable]] (*If Applicable*): [Merger Event Redemption Date: [●]]
(xii)	LPN Reference Entities	[Not Applicable] [Applicable]
Terms relating to Cash Settlement		
(xiii)	Cash Settlement Amount:	As per the Credit Linked Conditions
(xiv)	Cash Settlement Date:	As per the Credit Linked Conditions
(xv)	Valuation Date:	[[●] Business Days/calendar days]
(xvi)	Valuation Time:	[●]
(xvii)	Quotation Amount:	[●]
(xviii)	Minimum Quotation Amount:	As specified in the Credit Linked Conditions
(xix)	CLN Dealer:	[insert details]
(xx)	Quotations:	[Include Accrued Interest] [Exclude Accrued Interest]
Terms relating to Physical Settlement		
(xxi)	Accrued Interest:	[Include Accrued Interest] [Exclude Accrued Interest]
(xxii)	Excluded Deliverable Obligation(s):	[●] [Not Applicable]
Further provisions or amendments		
(xxiii)	Additional provisions/amendments:	[insert relevant details]

42.	GDR/ADR Linked Notes:	[Applicable/Not applicable] (*For GDR/ADR Linked Notes complete sections for Share Linked Redemption Amount (paragraph 36) (completed and amended as appropriate) and GDR/ADR Linked Notes (paragraph 50*).
43.	Custom Index Linked Redemption Amount:	**[**Applicable/Not applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Custom Index/Custom Indices/Index Sponsor(s):	**[●]** **[**Bloomberg Code: **[●]**/**[***specify***]**
(ii)	Screen Page:	**[***specify***]**
(iii)	Formula:	**[●]**
(iv)	Settlement Price:	The Settlement Price will be calculated as per the

		Conditions/**[●]** **[***insert calculation method***]**
(v)	Disrupted Day:	**[**If the Redemption Valuation Date or Observation Date or an Averaging Date is a Disrupted Day, the Settlement Price will be calculated in accordance with Custom Index Linked Condition 2(B)**]**/ **[●][***insert other calculation method***]**
(vi)	Calculation Agent responsible for calculating the redemption amount due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**]** **[**Address**]**
(vii)	Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable:	**[●]**
(viii)	Strike Date:	**[●]**
(ix)	Strike Price:	The Strike Price will be calculated as per Conditions/ **[●]** (*insert calculation method*)
(x)	Averaging:	Averaging **[**applies/does not apply**]** to the Notes. **[**The Averaging Dates are **[●]**.**]** **[**In the event that an Averaging Date is a Disrupted Day, Condition 2(B) of Custom Index Linked Condition will apply/**[●]***(specify)***]** **[**Specified Maximum Days of Disruption will be equal to: **[●]**/**[**twenty**]]** *(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty)*
(xi)	Redemption Valuation Date:	**[***specify***]**
(xii)	Observation Date(s):	**[**The Observation Date(s) is/are **[●]**/Not applicable**]**.**]** **[**In the event that an Observation Date is a Disrupted Day, Condition 2(B) of Custom Index Linked Conditions will apply/**[●]***(specify)***]]**
(xiii)	Observation Period:	**[***specify*/Not applicable**]]**
(xiv)	Custom Index Business Day:	**[**(All Custom Indices Basis)/(Per Custom Index Basis)(Single Custom Index Basis)**]**
(xv)	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)*
(xvi)	Weighting:	**[**Not applicable/The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is **[●]**. Each such Weighting shall be subject to adjustment in the case of Custom Index Linked Notes**]**/**[***specify***]**. (N.B. *Only applicable in relation to Cash Settled Notes relating to a Basket*)**]**
(xvii)	Valuation Time:	**[**As per the Conditions**]**/**[[●]**, being the time specified

		on the Valuation Date or an Averaging Date or Observation Date as the case may be, for the calculation of the Settlement Price.**]** (*N.B. if no time is specified, the Valuation Time will be as per the Conditions*)
(xviii)	Custom Index Correction Period:	**[**As per Conditions/**[●][***specify***]**
(xix)	Additional Disruption Events:	(a) **[**(The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies.)* **[**Change in Law**]** **[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[**Increased Cost of Stock Borrow**]** **[**Loss of Stock Borrow**]** **[**Force Majeure Event**]** (b) **[[**The Trade Date is **[●]**.**]** (*N.B. only applicable if Change in Law and/or Increased Cost of Hedging is applicable*) (c) **[[**The Maximum Stock Loan Rate in respect of **[**specify in relation to each relevant index component**]** is **[●]]]** (*N.B. only applicable if Loss of Stock Borrow is applicable*) (d) **[(**[The Initial Stock Loan rate in respect of **[**specify in relation to each relevant index component**]** is **[●]**.**]** (*N.B. only applicable if Increased Cost of Stock Borrow is applicable*) (e) Delayed Redemption on Occurrence of Additional Disruption Event: **[**Applicable with a rate of **[●]** per cent. per annum/Not applicable**]**
(xx)	Custom Index Disruption Event:	Specified Maximum Days of Disruption will be equal to **[●]**/**[**twenty**]** (*if no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty*)
(xxi)	Knock-in Event:	**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Knock-in Level:	**[***specify***]**
	(b) Knock-in Period Beginning Date:	**[**Not applicable/*specify***]**
	(c) Knock-In Period	[Applicable/Not Applicable]

		Beginning Date Scheduled Custom Index Business Day Convention:	
	(d)	Knock-In Determination Period:	**[***specify***]**
	(e)	Knock-in Determination Day(s):	**[***specify*/Each Scheduled Custom Index Business Day in the Knock-in Determination Period**]**
	(f)	Knock-in Period Ending Date:	**[**Not applicable/*specify***]**
	(g)	Knock-In Period Ending Date Scheduled Custom Index Business Day Convention:	[Applicable/Not Applicable]
	(h)	Knock-in Valuation Time:	**[***specify***]**/**[**Any time on a Knock-in Determination Day.**]**
(xxii)	Knock-out Event:		**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Knock-out Level:	**[***specify***]**
	(b)	Knock-out Period Beginning Date:	**[***specify*/Each Scheduled Custom Index Business Day in the Knock-out Determination Period**]**
	(c)	Knock-Out Period Beginning Date Scheduled Custom Index Business Day Convention:	[Applicable/Not Applicable]
	(d)	Knock-Out Determination Period:	**[***specify***]**
	(e)	Knock-out Determination Day(s):	**[***specify*/Each Scheduled Custom Index Business Day in the Knock-out Determination Period**]**
	(f)	Knock-out Period Ending Date:	**[**Not applicable/*specify***]**
	(g)	Knock-Out Period Ending Date Scheduled Custom Index Business Day Convention:	[Applicable/Not Applicable]
	(h)	Knock-out	**[***specify***]**/**[**Any time on a Knock-out Determination

	Valuation Time:	Day.**]**
(xxiii)	Automatic Early Redemption Event:	**[***specify*/See definition in Condition **[**6**]** of the Custom Index Linked Conditions.**]**
	(a) Automatic Early Redemption Amount:	**[***specify***]**
	(b) Automatic Early Redemption Date(s):	**[***specify***]** **[**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.**]**
	(c) Automatic Early Redemption Level:	**[***specify***]**
	(d) Automatic Early Redemption Rate:	**[***specify***]**
	(e) Automatic Early Redemption Valuation Date(s):	**[***specify***]**
(xxiv)	Delayed Redemption on Occurrence of Custom Index Adjustment Event:	**[**Applicable**][**Not applicable**]**
(xxv)	Other terms or special conditions:	[Not applicable/*specify*]

44.	Foreign Exchange (FX) Rate Linked Redemption Amount:	**[**Applicable/Not applicable**]** **[●]**
(i)	Formula:	**[●]**
(ii)	Relevant Screen Page:	**[***specify***]**
(iii)	The relevant base currency (the **"Base Currency"**) is:	**[***specify***]**
(iv)	The relevant subject **[**currency/currencies**]** ([each a]/[the] **"Subject Currency"**) **[**is/are**]**:	**[***specify***]**
(v)	Weighting:	**[***specify***]**
(vi)	Price Source:	**[***specify***]**
(vii)	Disruption Event:	Specified Maximum Days of Disruption will be equal to [●]/[five] *(If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)*
(viii)	Strike Date:	**[***specify***]**
(ix)	Averaging Dates:	**[***specify***]**
(x)	Observation Date(s):	**[***specify***]**

(xi)	Observation Period:		**[***specify***]**
(xii)	Valuation Time:		[*specify*]
(xiii)	Redemption Valuation Date:		**[***specify***]**
(xiv)	Knock-in Event:		**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level**][**"within"**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Knock-in Level/Knock-in Range Level:	**[***specify***]**/**[**From and including**][**From and excluding**][**To and including**][**To but excluding**]**
	(b)	Knock-in Period Beginning Date:	**[***specify***]**
	(c)	Knock-In Period Beginning Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(d)	Knock-in Determination Period:	**[***specify***]**
	(e)	Knock-in Determination Day(s):	**[***specify***]**
	(f)	Knock-in Period Ending Date:	**[**Not applicable/*specify***]**
	(g)	Knock-In Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(h)	Knock-in Valuation Time:	**[***specify***]**/**[**Any time on a Knock-in Determination Day.**]**
(xv)	Knock-out Event:		**[**Not applicable/*specify*/**[**"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level**]]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Knock-out Level:	**[***specify***]**
	(b)	Knock-out Period Beginning Date:	**[***specify***]**
	(c)	Knock-Out Period Beginning Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(d)	Knock-Out	**[***specify***]**

		Determination Period:	
	(e)	Knock-out Determination Day(s):	**[***specify***]**
	(f)	Knock-out Period Ending Date:	**[**Not applicable/*specify***]**
	(g)	Knock-Out Period Ending Date Scheduled Trading Day Convention:	**[**Applicable/Not applicable**]**
	(h)	Knock-out Valuation Time:	**[***specify***]**/**[**Any time on a Knock-out Determination Day.**]**
	(xvi)	Calculation Agent responsible for calculating the redemption amount due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**]** **[**Address**]**
	(xvii)	Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable:	**[●]**
	(xviii)	Delayed Redemption on the Occurrence of a Disruption Event:	**[**Applicable/Not applicable**]**
	(xix)	Additional Disruption Events:	**[**(The following Additional Disruption Events apply to the Notes:**]** (*Specify each of the following which applies*) **[**Change in Law**]** **[**Hedging Disruption**]** **[**Increased Cost of Hedging**]** **[[**The Trade Date is **[●]**.**]**
	(xx)	Other terms or special conditions:	[Not applicable]/[●]
45.	Formula Linked Redemption Amount:		**[**Applicable/Not applicable**]** **[●]**
	(i)	Formula:	**[●]**
	(ii)	Calculation Agent responsible for calculating the redemption amount due:	**[**Principal Paying Agent**]**/**[**Dealer**]**/**[**Other**]**/**[**Address**]**
	(iii)	Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable:	**[●]**
	(iv)	Other Provisions:	**[●]**

46.	Early Redemption Amount:	
	Early Redemption Amount(s) (if required or if different from that set out in Condition 5(e)):	**[●]**
47.	Provisions applicable to Physical Delivery[6]:	**[**Applicable/Not applicable**]**
	[(i) Entitlement in relation to each Note:	Entitlement in relation to each Note is **[***specify***]**
	(ii) Relevant Asset(s):	**[**As specified above**]**/The relevant asset to which the Notes relate **[**is/are**] [●]**.
	(iii) Cut-Off Date:	**[●]/[**As specified in Condition 4(b)**]**
	(iv) Settlement Business Day(s):	**[***specify***]**
	(v) Delivery Agent:	**[**Not applicable/*specify***]]**
48.	Variation of Settlement:	
	(i) Issuer's option to vary settlement:	The Issuer **[**has/does not have**]** the option to vary settlement in respect of the Notes.
	(ii) Variation of Settlement of Physical Delivery Notes:	**[**Notwithstanding the fact that the Notes are Physical Delivery Notes, the Issuer may make payment of the Final Redemption Amount on the Maturity Date and the provisions of Condition 4(b)(B)(ii) will apply to the Notes./The Issuer will procure delivery of the Entitlement in respect of the Notes and the provisions of Condition 4(b)(B)(ii) will not apply to the Notes.**]**

GENERAL PROVISIONS APPLICABLE TO THE NOTES

49.	Form of Notes:	**[**Bearer Notes:
	New Global Note:[7]	**[**Yes/No**]**
		[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes **[**on 60 days' notice given at any time/only upon an Exchange Event**]**.
		[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.**]]**[8]
		[Registered Notes:
		Registered Global Note (U.S.$**[●]** nominal amount)/Registered Notes in definitive form (*specify nominal amounts*)**]**
50.	Financial Centre(s) or other special provisions relating to Payment Days for the purposes of Condition 4(a):	**[**Not applicable/*give details***]** (*Note that this paragraph relates to the place of payment and not interest period end dates to which sub-paragraphs 19(iv) and 22(vii) relate all relevant Financial Centre(s) (including the location of the relevant agent(s)) should be included other than Target*)

[6] Not applicable to Credit Linked Notes.

[7] You should only elect "yes" opposite "New Global Note" if you have elected "yes" to the Section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".

[8] In relation to any Series of Notes which are expressed to be issued in denominations of **[**EUR 50,000**]** and integral multiples of **[**EUR 1,000**]** the Global Note will not be exchangeable at the option of the holder.

51.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	**[**Yes/No. *If yes, give details***]**
52.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	**[**Not applicable/*give details***]**
53.	Details relating to Notes redeemable in instalments: amount of each instalment, date on which each payment is to be made:	**[**Not applicable/*give details***]**
	(i) **[**Instalment Amounts:	**[●]**
	(ii) Instalment Dates:	**[●]]**
54.	Redenomination, renominalisation and reconventioning provisions:	**[**Not applicable/The provisions **[**in Condition 7**]** **[**annexed to these Final Terms**]** apply**]**
55.	Other terms or special conditions:	**[**Not applicable/*give details/specify rating, if applicable/specify any Payment Disruption Events and the consequences thereof, if applicable, for the purpose of Condition 4(a)***]**

DISTRIBUTION

56.	(i) If syndicated, names **[**and addresses**]**[9] of Managers **[**and underwriting commitments**]** (specifying Lead Manager):	**[**Not applicable/*give names***]**
	(ii) Date of **[**Subscription Agreement**]**:[10]	**[●]**
	(iii) Stabilising Manager (if any):	**[**Not applicable/*give name***]**
57.	If non-syndicated, name of [and address][11] Dealer:	**[**Not applicable/*give name***]**
58.	Total commission and concession:[12]	**[●]** per cent. of the Aggregate Nominal Amount
59.	U.S. Selling Restrictions:	**[**Reg. S Compliance Category 2; TEFRA D/ TEFRA Not applicable**]**
60.	Non exempt Offer:	[Not applicable] [An offer of the Notes may be made by

[9] Delete, if minimum denomination is less than EUR50,000 (or is equivalent in the relevant currency as of the Issue Date) and if the securities are not Derivative Securities.

[10] Delete, if minimum denomination is less than EUR50,000 (or is equivalent in the relevant currency as of the Issue Date) and if the securities are not Derivative Securities.

[11] Delete if minimum denomination is EUR50,000 and if the securities are not Derivative Securities (or its equivalent in the relevant currency as of the Issue Date).

[12] Delete if minimum denomination is EUR 50,000 and if the securities are not Derivative Securities (or its equivalent in the relevant currency as of the Issue Date).

the Managers [and [*specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"*] (**Offer Period**). See further Paragraph 10 of Part B below.

(*N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.*)

61. Additional selling restrictions: **[**Not applicable/*give details***]**

[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 (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange or the Official List of the UK Listing Authority)*] of the Notes described herein] pursuant to the BNP Paribas and BNP Paribas Arbitrage Issuance B.V. €90,000,000,000 Programme for the Issuance of Debt Instruments.**]**

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. **[[***Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components***]** has been extracted from **[***specify source***]**. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by **[●]**, no facts have been omitted which would render the reproduced inaccurate or misleading.**]**

Signed on behalf of the Issuer:

By: _____

Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading

(i)	Listing:	**[**Luxembourg Stock Exchange's Official List/*specify*/None**]**
(ii)	Admission to trading:	**[**Application has been made for the Notes to be admitted to trading on **[**Luxembourg Stock Exchange's Regulated Market/Luxembourg Stock Exchange's EuroMTF Market/*specify other***]** with effect from **[●]**.**]** **[**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:	**[●]**[13]

2. Ratings

Ratings:	The Notes to be issued have [not] been rated: **[**S & P: **[●]]** **[**Moody's: **[●]]** **[**Fitch: **[●]]**[14] **[**The following ratings reflect the ratings allocated to the Notes of the type being issued under the Programme generally: **[**S & P: **[ ]]** **[**Moody's: **[ ]]** **[**Fitch: **[ ]]]**[15] **[***Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:* *"As defined by Standard & Poors, an **[**AA+**]** rating means that [the Issuer's][the Guarantor's] capacity to meet its financial commitment under the Notes is very strong."* *"Obligations rated **[**Aa**]** by Moody's are judged to be of high quality and are subject to very low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category."* *"As defined by Fitch an **[**AA**]** rating denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments. Such capacity is not significantly vulnerable to foreseeable events."***]**

[13] Delete if minimum denomination is EUR 50,000 (or its equivalent in the relevant currency as of the Issue Date) and if the securities are not Derivative Securities.

[14] Insert where the issue has been specifically rated.

[15] Insert where the issue has not been specifically rated.

3. [Risk Factors

[*Include any product specific risk factors which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for either (i) a supplement to the Base Prospectus under Article 16 of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a 48 hour time period or (ii) a Prospectus.***]]**

[*Investors may lose the value of their entire investment 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, a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect.****]***[16]

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

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

"Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."**]**

5. [Reasons for the Offer, Estimated Net Proceeds and Total Expenses[17]

Reasons for the offer	**[●]** (*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)
Estimated net proceeds:	**[●]** (*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.*)
Estimated total expenses:	**[●] [***Expenses are required to be broken down into each principal intended "use" and presented in order or priority of such "uses".***]**[18] (*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.*)

6. [*Fixed Rate Notes only* – Yield

Indication of yield:	**[●]** **[**Calculated as **[***include details of method of calculation in summary form***]** on the Issue Date.**]**[19]

16 Required for derivative securities.

17 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.

18 Not required for debt securities with a denomination per unit of at least EUR 50,000 (or its equivalent in the relevant currency as of the Issue Date).

19 Not required for debt securities with a denomination per unit of at least EUR 50,000 (or its equivalent in the relevant currency as of the Issue Date).

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield]

7. [*Floating Rate Notes only* – Historic Interest Rates

[Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].][20]

8. [Performance of Index/ Share/ Commodity/ Inflation/ Foreign Exchange Rate/ Fund/ Reference Entity/ Entities/ Formula, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

Need to include details of where past and future performance and volatility of the index/formula/commodity/rates/reference entity/fund/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.][21] [*Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.*][22]

Where the underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket.

Need to include a description of any market disruption or settlement disruption events that affect the underlying and any adjustment rules in relation to events concerning the underlying (if applicable).

9. OPERATIONAL INFORMATION

(i)	ISIN Code:	**[●]**
(ii)	Common Code:	**[●]**
(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/*give name(s) and number(s)*]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Additional Paying Agent(s) (if any):	[Not applicable/*give name*]
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility[23]:	[Yes] [No]. [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs[24] as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*include this text if "yes" selected in which*

[20] Not required for debt securities with a denomination per unit of at least EUR 50,000 (or its equivalent in the relevant currency as of the Issue Date).

[21] Required for Derivative Securities.

[22] Required for derivative securities.

[23] See Part A - 35 "Form of Notes - New Global Note".

[24] The International Central Securities Depositories (i.e. Euroclear S.A./N.V. and Clearstream Banking, société anonyme.

	case the Notes must be issued in NGN form]

10. [Public Offers]

Offer Period:	● to ● *(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 [●] Business Days thereafter".)*
Offer Price:	[The Issuer has offered the Notes to the Managers at the initial issue price of [●] less a total commission of [●]. *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*].]
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 Financial Intermediaries, notified to investors by such relevant Financial Intermediaries]]
[Description of the application process:	*N/A unless full application process is being followed in relation to the issue*]
[Details of the minimum and/or maximum amount of application:	*N/A unless full application process is being followed in relation to the issue*]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	*N/A unless full application process is being followed in relation to the issue*]
Details of the method and time limits for paying up and delivering the Notes:	[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 Financial Intermediary of their allocations of Notes and the settlement arrangements in respect thereof.]
[Manner and date in which results of the offers are to be made public:	*N/A unless the issue is an "up to" issue when disclosure must be included*]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	*N/A unless full application process is being followed in relation to the issue]*
Categories of potential investors to which the Notes are offered:	[Offers may be made by the Financial Intermediaries in [*insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported*] to any person [*insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules*]. In other EEA countries, offers will only be made by the Financial Intermediaries pursuant to an exemption from the

		obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]
	[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[*Process for notification – N/A unless full application process is being followed in relation to the issue*.]
		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.]
	[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[ ]]
11.	**[Placing and Underwriting]**[25]	
	Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:[26]	**[●]**
	Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):	**[●]**
	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:[27]	**[●]**
	When the underwriting agreement has been or will be reached:	**[●]**

[25] Required for derivative securities.
[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.

BNP PARIBAS ARBITRAGE ISSUANCE B.V.

1. Name, registered office and date of incorporation

(a) The legal and commercial name of the company is BNP Paribas Arbitrage Issuance B.V.

(b) BNPP B.V. is a limited liability company under Dutch law ("*besloten vennootschap met beperkte aansprakelijkheid*"), having its registered office at Reguliersdwarsstraat 90, 1017 BN Amsterdam, the Netherlands. BNPP B.V. is incorporated in the Netherlands and registered with the Commercial Register in the Netherlands under number 33215278 (telephone number: + 31 20 5215 645).

(c) BNPP B.V. was incorporated on 10 November 1989 with unlimited duration.

2. Business Overview

(i) BNPP B.V.'s objects, among other things, (as set out in Article 3 of its Articles of Association) and principal activities are:

(a) to borrow, lend out and collect monies, including but not limited to the issue or the acquisition of debentures, debt instruments, financial instruments such as, *inter alia*, notes, warrants and certificates of any nature, with or without indexation based on, *inter alia*, shares, baskets of shares, stock exchange indices, currencies, commodities or futures on commodities, and to enter into related agreements;

(b) to finance enterprises and companies;

(c) to establish and to in any way participate in, manage and supervise enterprises and companies;

(d) to offer advice and to render services to enterprises and companies with which the company forms a group of companies, and to third parties;

(e) to grant security, to bind the company and to encumber assets of the company for the benefit of enterprises and companies with which the company forms a group of companies, and of third parties;

(f) to acquire, manage, exploit and dispose of registered property and asset value in general;

(g) to trade in currencies, securities and asset value in general;

(h) to exploit and trade in patents, trademark rights, licences, know-how and other industrial rights of ownership;

(i) to engage in industrial, financial and commercial activities of any nature, and

all other things as may be deemed incidental or conducive to the attainment of the above objects, in the broadest sense of the word.

(ii) BNPP B.V. competes with other issuers in the issuance of financial instruments and securities.

3. Share capital

The authorised share capital is composed of €225,000 divided into 225,000 shares of €1 each. The issued share capital is €45,379, divided in 45,379 shares of €1 each.

All shares are ordinary registered shares and fully paid up and no share certificates have been issued.

4. Management

4.1 Management Board

The management of BNPP B.V. is composed of a Management Board with one or several members appointed by the general meeting of shareholders.

4.2 Duties of the Management Board

Within the limits of the constitutional documents, the Management Board is responsible for the management of BNPP B.V.

4.3 Delegation of management

BNP Paribas is the sole shareholder of BNPP B.V. by an agreement dated 27 December 2000 entitled "Management and Indemnity Agreement", BNP Paribas has delegated the management of BNPP B.V. to BNP Paribas Trust B.V., a company established and existing under the laws of the Netherlands, with its registered office at Reguliersdwarsstraat 90, 1017 BN, Amsterdam. Messrs. Bijloos, Didier, Ledoux, Sijsling, and Tuloup, as Directors of BNP Paribas Trust B.V. have the power to take all necessary measures in relation to the issue of securities by BNPP B.V.

5. Accounts

5.1 Drawing up of annual accounts

The financial year is the calendar year.

5.2 Adoption of annual accounts

The general meeting of shareholders adopts the annual accounts.

6. Material Investments

BNPP B.V. has made no material investments since the date of its last published financial statements other than those related to the issue of securities and, as at the date of this Base Prospectus, its Management Board has made no firm commitments on such material investments in the future.

7. Organisational Structure

BNPP B.V. is a wholly owned subsidiary of BNP Paribas.

BNPP B.V. is dependent upon BNP Paribas in that BNP Paribas guarantees the obligations of BNPP B.V. for any issue of its securities.

8. Administrative, Management, and Supervisory Bodies

8.1 Names, Business Addresses, Functions and Principal Outside Activities

As at the date of this Base Prospectus, the names, functions and principal activities performed by it outside BNPP B.V. which are significant with respect to BNPP B.V. of the only director of BNPP B.V. are:

Name	Function	Principal Outside Activities
BNP Paribas Trust B.V.	Managing Director	Providing corporate management services to Dutch companies belonging to corporate or private clients or the BNP Paribas Group

8.2 Administrative, Management, and Supervisory Bodies Conflicts of Interests

As at the date of this Base Prospectus, the above-mentioned member of the Management Board of BNPP B.V. does not have potential conflicts of interests, material to the issue of Notes, between any duties to BNPP B.V. and its interests or other duties.

9. Board Practices

9.1 Audit Committee

BNPP B.V. does not itself have an audit committee. However, BNPP B.V. is part of the BNP Paribas Group which has an audit committee that reviews the annual consolidated financial statements of BNP Paribas.

9.2 Corporate Governance

According to the Decree of 23 December 2004, pursuant to section 391 paragraph 4 of book 2 of the Dutch Civil Code, the code of conduct ("**Nederlandse corporate governance code**") only applies to listed companies. BNPP B.V. is not listed and therefore the code does not apply. Accordingly, BNPP B.V. is not required to make any disclosure regarding compliance with the code.

10. Selected Historical Financial Information Concerning BNPP B.V.'s Asset and Liabilities, Financial Position and Profits and Losses

The following selected historical financial information is extracted from the 2008 financial statements of BNPP B.V. as published in the BNPP B.V. Annual Report 2008 and the 2007 financial statements of BNPP B.V. as published in the BNPP B.V. Annual Report 2007, each of which is incorporated by reference into this Base Prospectus. Such information should be read and analysed together with the relevant notes included in such documents.

2008

BNP Paribas Arbitrage Issuance B.V.
Amsterdam
The Netherlands

BALANCE SHEET AT 31 DECEMBER 2008
(before appropriation of the net result)

	31.12.2008		**31.12.2007**
	EUR		EUR
ASSETS			
Financial fixed assets			
OTC contracts	22,799,884,215	*)	28,114,102,897
Current assets			
OTC contracts	10,995,198,263	*)	22,289,427,933
Accounts receivable	1,497,188		1,999,000
Cash at bank	298,857		392,240
	10,996,994,308		22,291,819,173
TOTAL ASSETS	**33,796,878,523**		**50,405,922,070**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital issued and paid up	45,379		45,379
Retained earnings	175,963		124,115
Result for the year	58,818		51,847
	280,160		221,341
Long term liabilities			
Issued securities	22,799,884,215	*)	28,114,102,897
Current liabilities			
Issued securities	10,995,198,263	*)	22,289,427,933
Other liabilities	1,515,885		2,169,899
	10,996,714,148		22,291,597,832

TOTAL EQUITY AND LIABILITIES	**33,796,878,523**	**50,405,922,070**

*) See the paragraph "Change on accounting policies" on page 8 of the 2008 BNPP B.V. Annual Report. The comparative figures of 2007 have been restated according to the presentation of 2008.

PROFIT AND LOSS ACCOUNT 2008

	2008	**2007**
	EUR	EUR
Net result financial instruments	0	0
Other income	740,585	643,654
Operating income	740,585	643,654
Operating expenses		
General and administrative expenses	(673,260)	(585,030)
Reimbursed issuing expenses	5,871,073	5,680,095
Issuing expenses	(5,871,073)	(5,680,095)
Operating result	67,325	58,624
Interest income	13,035	9,344
Interest expenses and similar charges	(6,837)	(1,160)
Profit before taxation	73,523	66,808
Corporate income tax	(14,705)	(14,961)
Profit after taxation	**58,818**	**51,847**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	**2007**
	EUR	EUR
Cash flow from operating activities		
Issuing of securities against OTC coverage	0	0
Received reimbursed issuing expenses	6,630,187	4,697,373
Received reimbursed general expenses	483,495	589,512
Received interest & paid similar expenses	6,763	6,673
Paid issuing expenses	(6,809,828)	(4,892,295)
Paid general expenses	(392,127)	(556,411)
Paid corporate income tax	(11,873)	(16,461)
Cash flow from operating activities	(93,383)	(171,609)

Decrease cash at bank	(93,383)	(171,609)
Movements in cash at bank		
Cash at bank at January 1	392,240	563,849
Decrease cash at bank	(93,383)	(171,609)
Cash at bank as at 31 December	298,857	392,240

Netting agreements between the BNPP B.V. entities of the BNP Paribas Group have been drawn up for all flows resulting from securities and OTC contracts to avoid that payments have to be made for these flows. This procedure is reflected in the cash flow report under the heading "Issuing of securities against OTC coverage".

TAXATION

The statements herein regarding taxation are based on the laws in force in France, the Netherlands, the Grand Duchy of Luxembourg, the United Kingdom, Belgium, Germany, Italy, Spain and Portugal 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 Notes. Each prospective holder or beneficial owner of Notes should consult its tax adviser as to each of the French, the Dutch, the Luxembourg, the UK, the Belgian, the German, the Italian, the Spanish and the Portuguese tax consequences as applicable of any investment in or ownership and disposal of the Notes.

EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

On 3 June 2003, the European Council of Economics and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Savings Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the "**Disclosure of Information Method**").

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

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

As regards Luxembourg taxation, the Savings Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union were implemented in Luxembourg law by the laws dated 21 June 2005 (the "**Laws**").

On 15 September 2008 the European Commission issued a report to the council of the European Union on the operation of the Savings Directive, which included the Commission's advice on the need for changes to the Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the Savings Directive, they may amend or broaden the scope of the requirements described above.

FRENCH TAXATION

Savings Directive

The Savings Directive was implemented into French law under Article 242 *ter* of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Payment made by BNPP as Issuer

Payments of interest and other revenues with respect to Notes (whether denominated in euro or in any other currency, if they constitute *obligations* under French law or *titres de créances négociables* under French tax law, or other debt instruments issued under French or foreign law and fiscally assimilated thereto within the meaning of administrative statement of practice 5 I-11-98 dated 30 September 1998 as supplemented by rulings 2007/59 (FP) dated 8 January 2008 and 2009/73 (FP) dated 7 April 2009) are deemed to be subscribed outside of France and benefit from the tax exemption at source on interest set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Otherwise, the withholding tax exemption applies if all the conditions provided by Article 131 *quater* of the French *Code Général des Impôts* are met and in particular if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or a fixed base therein.

See "Terms and Conditions of the Notes – Taxation".

The tax regime applicable to Notes which do not constitute *obligations* under French law or *titres de créances négociables* under French tax law or other debt instruments issued under French or foreign law and fiscally assimilated thereto will be set out in the relevant Final Terms.

Payments by BNPP as Guarantor

There is no direct authority under French law on the withholding tax status of payments by the Guarantor under the Guarantee. In accordance with one interpretation of French tax law, payments made by the Guarantor of any amount due by BNPP B.V. to a Noteholder 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 BNPP B.V. with respect to the Notes. Accordingly, under this interpretation payments made by the Guarantor, of any amounts due by BNPP B.V. under the Notes, would be exempt from any taxes, duties or other charges of whatever nature imposed 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 BNPP B.V. 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 BNPP B.V. with respect to the Notes. In the absence of any specific provision in the *Code Général des Impôts*, such payments would be exempt from any taxes, duties or other charges of whatever nature imposed by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax.

NETHERLANDS TAXATION

General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on the tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this Base Prospectus, though it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

(i) Noteholders holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such holder of Notes, alone or, where such Noteholder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

(ii) investment institutions (*fiscale beleggingsinstellingen*); and

(iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

Withholding tax

All payments made by the Issuers under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein. With respect to Notes issued by an Issuer that is considered to be resident of the Netherlands for Netherlands tax purposes (a "Netherlands Issuer"), all payments made by a Netherlands Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and individual income tax

(a) Residents of the Netherlands

If a Noteholder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of its enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (up to a maximum rate of 25.5 per cent.).

If an individual Noteholder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the

Notes are taxable at the progressive rates of the Netherlands income tax act 2001 (up to a maximum rate of 52 per cent.), if:

(i) the Noteholder has an enterprise (*ondernemer*) or an interest in an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4 per cent. of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4 per cent. will be taxed at a rate of 30 per cent.

(b) Non-residents of the Netherlands

If a Noteholder is not a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes (nor has opted to be taxed as a resident of the Netherlands), such Noteholder is not taxable in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, except:

(i) if the Noteholder is not an individual and such Noteholder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable or (2) is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, that is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax up to a maximum rate of 25.5 per cent.

(ii) if the Noteholder is an individual and such Noteholder (1) has an enterprise or an interest in an enterprise that is in whole or in part carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Notes that exceed regular, active portfolio management, or (3) is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands (other than by way of securities or an employment contract) and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) by an individual is subject to individual income tax up to a maximum rate of 52 per cent. Income derived from the Notes as specified under (3) will be taxed at a rate of 30 per cent. over the 4 per cent. deemed return on income from savings and investments.

Gift and Inheritance taxes

(a) Residents of the Netherlands

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A Noteholder of Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. A Noteholder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

(b) Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of gift by or as a result of the death of a Noteholder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, unless:

(i) such Noteholder at the time of the gift, or at the time of his or her death, has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or a permanent representative, the Notes are (deemed to be) attributable; or

(ii) in the case of a gift of the Notes by a Noteholder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such Noteholder dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

Value added tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of the cash payment made under the Notes, or in respect of a transfer of Notes.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

EU Savings Directive

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. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

LUXEMBOURG TAXATION

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective Noteholders should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. In addition, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Noteholders

Withholding Tax

(i) Non-resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and will be levied at a rate of 35 per cent as of 1 July 2011. thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

(ii) **Resident Noteholders**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Law 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 Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

Income Taxation

(iii) **Non-resident Noteholders**

A non-resident corporate Noteholder or an individual Noteholder acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(iv) **Resident Noteholders**

A corporate Noteholder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual Noteholder, acting in the course of the management of a professional or business undertaking.

A Noteholder that is governed by the law of 31 July 1929, on pure holding companies, as amended and as maintained under certain conditions by the law of 22 December 2006 during a transitional period until 30 December 2010, or by the law of 11 May 2007 on family estate management companies or by the law of 20 December 2002 on undertakings for collective investment, as amended, and the law of 13 February 2007 on specialised investment funds or that is a capital company governed by the law of 15 June 2004 on venture capital vehicles is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

An individual Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if withholding tax has been levied on such payments in accordance with the Law. A gain realised by an individual Noteholder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if withholding tax has been levied on such interest in accordance with the Law.

Net Wealth Taxation

A corporate Noteholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes except if the Noteholder is governed by the law of 31 July 1929 on pure holding companies, as amended and as maintained under certain conditions by the law of 22 December 2006 during a transitional period until 30 December 2010, or by the law of 11 May 2007 on family estate management companies or by the law of 20 December 2002 on undertakings for collective investment, as amended, and the law of 13 February 2007 on specialised investment funds or is a securitisation company governed by the law of 22 March 2004 on securitisation, or a capital company governed by the law of 15 June 2004 on venture capital vehicles.

An individual Noteholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

Neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or recorded in Luxembourg.

UK TAXATION

The following comments are of a general nature, apply only to persons who are the beneficial owners of Notes and are a summary of the Issuers' understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers) to whom special rules may apply. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payments of interest on the Notes may be made without withholding on account of United Kingdom income tax.

Noteholders may wish to note that, in certain circumstances, HM Revenue & Customs ("**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 or credits 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 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. HMRC indicated informally that it would not exercise the power referred to above to require this information in respect of amounts payable on redemption of deeply discounted securities where such amounts were paid on or before 5 April 2010. 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.

BELGIAN TAXATION

The following summary describes the principal Belgian withholding tax considerations with respect to the holding of the Notes obtained by a Noteholder following an 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 Notes. In some cases, different rules may be applicable. Furthermore, the tax rules may be amended in the future, possibly with retrospective effect, and the interpretation of the tax rules may change.

This summary is based on the Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this offer in Belgium, without prejudice to any amendments introduced at a later date, even if implemented with retrospective effect.

This summary does not describe the tax consequences for Notes that are redeemable in exchange for, or convertible into, shares of the exercise, settlement or redemption of such Notes and/ or any tax consequences after the moment of exercise, settlement or redemption. Neither, does it cover the indirect taxes (including *inter alia* transfer taxes, stamp duties, stock exchange taxes) that may be due following the acquisition, transfer or disposal of the Notes.

Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account their own specific circumstances.

Belgian Income Tax

For Belgian tax purposes, interest includes any interest paid by the Issuer in excess of the issuance price of the Notes (e.g. at the redemption date or at early redemption).

(A) Belgian resident individuals

Individuals who are Noteholders 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 Notes in Belgium. Other rules may be applicable in special situations, in particular when individuals resident in Belgium acquire the Notes for professional purposes or when their transactions with respect to the Notes fall outside the scope of the normal management of their own private estate.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments.

If the interest is paid outside of Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 15 per cent. (plus local surcharges).

Capital gains realised on the sale of the Notes 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 (unless the tax authorities can prove that the capital gain does not result from the normal management of a non-professional investment). The Noteholder must declare the interest as investment income in his or her personal income tax return. Such income will in principle be taxed separately, currently at a rate of 15 per cent. (plus the applicable local surcharge), unless it can be demonstrated that such income will be subject to Belgian withholding tax upon maturity.

Capital losses on the Notes are generally not tax deductible.

(B) Belgian companies

Companies that are Belgian residents for tax purposes, i.e. that are subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting/Impôt des sociétés*") are subject to the following tax treatment with respect to the Notes in Belgium.

Interest received by Belgian companies on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax of 33.99 per cent. Capital losses are in principle deductible.

Interest payments on the Notes made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided formalities are complied with.

For zero or capitalization bonds, no exemption will apply, unless the Belgian company and the Issuer are associated companies within the meaning of article 105,6° RD/ITC.

Belgian companies are in principle entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

(C) Other Belgian legal entities subject to the legal entities income tax

Legal entities Noteholders that are Belgian residents for tax purposes, i.e. that 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 in Belgium.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 15 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 payment of the 15 per cent. withholding tax.

Capital gains realised on the sale of the Notes to a party other than the Issuer, are in principle tax exempt, except in respect of that part of the sale price attributable to the *pro rata* interest component. Such interest is subject to withholding tax, currently at the rate of 15 per cent. This withholding tax must be paid by the legal entity itself, unless it can demonstrate that the withholding tax will be paid at maturity.

(D) Non-resident Noteholders

The interest income on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 15 per cent. withholding tax. If the Noteholder is a resident of a country that has entered into a double taxation agreement with Belgium, a reduction or an exemption of withholding tax may be applicable under specified circumstances.

Non-resident Noteholders can obtain an exemption of Belgian withholding tax on interest from the Notes if they deliver an affidavit confirming their non-resident status, provided (i) they hold the Notes in full ownership or usufruct; (ii) the Notes are paid through a Belgian financial institution, stock market company or clearing institution and (iii) the Notes are not held for professional purposes in Belgium.

The non-resident Noteholders who use the debt instruments to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as Belgian resident companies.

GERMAN TAXATION

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax 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 or Tranche of Notes, respectively, may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes, respectively, as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Tax Residents

The section "Tax Residents" refers to persons who are tax residents of Germany (*i.e.* persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments received by an individual Noteholder will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "**Disbursing Agent**"*, auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). If the individual Noteholder is subject to church tax, upon application a church tax surcharge will also be withheld.

The same treatment applies to capital gains (*i.e.* the difference between the proceeds from the disposal after deduction of expenses directly related to the disposal and the cost of acquisition) derived by an individual Noteholder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Notes are issued in a currency other than Euro any currency gains or losses are part of the capital gains.

In case of a physical settlement of certain Notes which grant the Issuer or the Noteholder the right to opt for a physical delivery of a predetermined number of underlying securities instead of a (re)payment of the nominal amount, the acquisition costs of the Notes may be regarded as proceeds from the disposal of the Notes and hence as acquisition costs of the underlying securities received by the individual Noteholder upon physical settlement. However, at the date of this Base Prospectus the scope of this provision is to a certain extent unclear. For instance, it remains to be seen whether or not this provision will be applicable to fully asset linked certificates providing for a physical settlement where the number of securities to be received upon redemption is dependent on the development of the underlying security, however, the fully asset linked certificates do not provide for a nominal amount. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Notes into the underlying securities does not result in a taxable gain for the individual Noteholder. However, withholding tax may then apply to any gain resulting from the disposal of the securities received in exchange for the Notes. In this case, the gain will be the difference between the proceeds from the disposal of the underlying securities and the acquisition costs of the Notes (after deduction of expenses directly related to the disposal and the acquisition costs, if any). Any losses realised upon the disposal of the shares received in exchange for the Notes can only be offset against capital gains deriving from the disposal of shares.

To the extent the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of acquisition or if the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Savings Tax Directive (*e.g.* Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may - subject to certain requirements and restrictions - deduct from the basis of the withholding tax negative investment income realised by the individual Noteholder via the Disbursing Agent (*e.g.* losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on capital income in a given year regarding securities held in the custodial account with the Disbursing Agent.

In addition, an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) applies to all investment income received in a given year. Upon the individual Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal of Notes held by a corporation as Noteholder while ongoing payments, such as interest payments, are subject to withholding tax. The same exemption for capital gains applies where the Notes form part of a trade or business subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of an individual Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the individual Noteholder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). Further, an individual Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, each year the part of the difference between the issue or purchase price and the 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 income. The respective Noteholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder. Where Notes form part of a German trade or business the income and proceeds from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

German Investment Tax Act

German tax consequences different from those discussed above would arise if the respective Notes or the underlying securities delivered upon physical delivery were to be regarded as foreign investment fund units in the meaning of the German Investment Tax Act. In such case, the withholding tax requirements for the Disbursing Agent as well as the taxation of the Noteholder would

depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. The Noteholder may be subject to tax on unrealised income or, in case the reporting and disclosure requirements are not fulfilled, on fictitious income on a lump-sum basis (so-called penalty-taxation). Such deemed distributed income or fictitious income may be offset against any capital gains realised upon disposal of the Notes or the underlying securities received, respectively, subject to certain requirements. A foreign investment fund is defined as a pool of assets subject to foreign law, invested pursuant to the principle of risk diversification in one or more of certain asset classes listed in the German Investment Act. A foreign investment fund unit exists if the investor has the right to request a redemption of its units against its pro rata portion of the net asset value of the foreign investment fund or, in the absence of such right of redemption, the foreign investment fund is subject to regulatory supervision of collective investments in the country where it has its registered seat.

Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder; or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. 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 Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is 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 or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

Savings Directive

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the Savings Directive into German law. These provisions apply from 1 July 2005.

For further information, please refer to the section "EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME" on page 291.

ITALIAN TAXATION

The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership and the disposal of the Notes. They apply to a Noteholder only if such holder purchases its Notes under the Programme. It is a general summary that does not apply to certain categories of investors and 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 Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholders if such holder is subject to special circumstances or if such holder is subject to special treatment under applicable law.

This summary assumes that BNPP B.V. is resident in the Netherlands for tax purposes and BNPP is resident in France for tax purposes, that BNPP B.V. and BNPP are organised and that BNPP B.V.'s and BNPP's businesses will be conducted in the manner outlined in this Base Prospectus. Changes in BNPP B.V.'s or BNPP's tax residence, organisational structure or the manner in which BNPP B.V.'s and BNPP's conduct their businesses may invalidate this summary. This summary also assumes that each transaction with respect to Notes is at arm's length.

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuers will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid. With regard to certain innovative or structured financial instruments there is currently neither case law nor comments of the Italian tax authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities and courts or Italian paying agents may adopt a view different from that outlined below.

Prospective Noteholders are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

This summary does not describe the tax consequences for a Noteholder with respect to Notes that are redeemable in exchange for, or convertible into, shares, or of Physical Delivery Notes, of the exercise, settlement or redemption of such Notes and/or any tax consequences after the moment of exercise, settlement or redemption.

1. Interest and other proceeds

1.1. Notes qualifying as bonds or securities similar to bonds

A. Notes with a maturity of at least 18 months

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 having a maturity of eighteen months or more and 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*, levied at the rate of 12.5 per cent. (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.

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:

(i) 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;

(ii) Investment funds – Italian investment funds (which includes *Fondo Comune d'Investimento*, or SICAV), as well as Luxembourg investment funds regulated by article 11-bis of Law Decree No. 512 of 30 September 1983 (collectively, the "**Funds**") are subject to a 12.5 per cent. substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of such annual net accrued result;

(iii) 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 an 11 per cent. substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of said annual net accrued result; and

(iv) Real estate investment funds – 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, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, (the "**Real Estate Investment Funds**") and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds. However, Law

Decree No. 112 of 25 June 2008, converted with amendments into Law No. 133 of 6 August 2008, has introduced a 1 per cent property tax applying to Real Estate Investment Funds' net value, where (i) their units are not expected to be listed on regulated markets and (ii) their equity is less than € 400,000,000, if: (a) there are less than 10 unitholders, or (b) funds are reserved for institutional investors or are speculative funds and their units are held, for more than 2/3, by individuals, trusts or other companies referable to individuals.

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.

Early Redemption

Without prejudice to the above-described regime, if the Notes are subject to an early redemption within 18 months from the issue date, certain Italian resident Noteholders will be required to pay an additional tax at the rate of 20 per cent. in respect of Interest accrued thereon up to the date of early redemption, pursuant to Article 26(3) of Presidential Decree No. 600 of 29 September 1973, as amended. According to one interpretation of Italian tax law, the above 20 per cent. additional tax may also be due in the event that the Issuer were to purchase the Notes and subsequent cancel them prior to the aforementioned eighteen-month period.

B. Notes with a maturity of less than 18 months

Pursuant to the Decree 239, Interest payments relating to Notes issued with a maturity of less than 18 months are subject to imposta sostitutiva at 27 per cent. rate, if paid 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 received by: (a) Italian resident companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) and (b) Italian resident commercial partnerships, form part of their aggregate income subject to IRES. In certain cases, said 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 beneficial owners (not having permanent establishment in Italy to which the Notes are effectively connected) are generally not subject to tax in Italy.

1.2. 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, levied at the rate of 27 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.

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 27 per cent. withholding tax, but form part of their aggregate income subject to IRES. 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 beneficial owners (not having a permanent establishment in Italy to which the Notes are effectively connected) are generally not subject to tax in Italy.

2. Capital Gains

Resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November 1997, as amended, a 12.5 per cent. 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.

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, based on a very restrictive interpretation, the aforesaid capital gains would be subject to the 27 per cent. final withholding tax mentioned under paragraph "Notes qualifying as atypical securities", above.

Taxpayers can opt for certain alternative regimes in order to pay the CGT.

The aforementioned regime does not apply to the following subjects:

(i) 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.

(ii) Funds – Capital gains realised by the Funds on the Notes contribute to determining the annual net accrued result of the same Funds, which is subject to a 12.5 per cent. substitutive tax (see under paragraph 1.1.A. "Italian resident Noteholders", above).

(iii) 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 an 11 per cent. substitutive tax (see under paragraph 1.1.A "Italian resident Noteholders", above).

(iv) 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 (see under paragraph 1.1.A "Italian resident Noteholders", above).

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.

3. 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 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

4. Inheritance and Gift Tax

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 EUR 1,000,000;

(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 EUR 100,000; 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.

5. Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, at the end of the fiscal year, hold investments abroad or have financial activities abroad 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). Such obligation is not provided if, *inter alia*, each of the overall value of the foreign investments or financial activities held at the end of the fiscal year, and the overall value of the related transfers carried out during the relevant fiscal year, does not exceed EUR 10,000.

6. Payments made by a non resident Guarantor

With respect to payments made to Italian resident Securityholders by the Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

7. 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. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005 ("**Decree No. 84**"). Under Decree No. 84, 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.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Directive in their particular circumstances.

SPANISH TAXATION

The following summary 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, legal or tax advice. This section does not constitute a complete description of all tax issues that may be relevant in making the decision to invest in the Notes or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Notes and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective Noteholders should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Spanish tax law, to which they may be subject.

Individuals with Tax Residence in Spain

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 Noteholders may receive under the Notes will be subject to Spanish taxation.

Both interest periodically received, if any, and income arising on the disposal, redemption or reimbursement of the Notes 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 transfer of own capital to third parties).

Both parts of income will be included in the savings part of the taxable income subject to Personal Income Tax at the flat tax rate which is currently 18 per cent.

Spanish Noteholders shall compute the gross interest obtained, in the savings part of the taxable base 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 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 on the acquisition and transfer of the Notes may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Notes, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Notes cannot be offset if the investor acquires homogeneous securities within the two month period prior or subsequent to the transfer of the Notes, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Notes upon death or by gift to Spanish tax resident Noteholders, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60 per cent., although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax

BNPP has been advised that, under Spanish tax law currently in effect, BNPP should not be obliged to deduct withholdings on account of Spanish income taxes since it is a French tax resident entity which does not have a permanent establishment in Spain to which the issue of the Notes is connected.

BNPP B.V. has been advised that, under Spanish tax law currently in effect, BNPP B.V. should not be obliged to deduct withholdings on account of Spanish income taxes since it is a Dutch tax resident

entity which does not have a permanent establishment in Spain to which the issue of the Notes is connected.

Spanish tax resident individuals are subject to an annual Wealth Tax on 31st December on their total net wealth, regardless of the location of their assets or of where their rights may be exercised. However, according to Law 4/2008, of 23 December 2008, taxpayers benefit from a 100% tax credit on their Wealth Tax liability as from 2008. This tax credit in practical terms means that taxpayers are effectively tax exempt from Wealth Tax. Taxpayers do not have the obligation to file the annual tax return as a result of this change.

Legal Entities with Tax Residence in Spain

Corporate Income Tax

Both interest periodically received, if any, and income arising on the disposal, redemption or reimbursement of the Notes obtained by entities which are tax resident in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for limited liability companies is currently 30 per cent. However small sized companies could benefit from the reduced tax rate of 25 per cent on the first EUR 120.202,41 of their taxable profits. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

Individuals and Legal Entities with no Tax Residence in Spain

A non-resident Noteholder who has a permanent establishment in Spain to which such Notes are attributable, is subject to Spanish Non-Residents' Income Tax, on any income under the Notes including both interest periodically received, if any, and income arising on the disposal, redemption or reimbursement of the Notes. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to resident corporate income taxpayers.

Spanish Withholding Tax

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Notes or acts as manager on the collection of any income under the Notes such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes.

The current withholding tax in Spain is 18 per cent. Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish resident individuals, or against Spanish final Corporate Income Tax liability, in the case of Spanish corporate or against final Non-Residents' Income Tax, in the case of Spanish permanent establishments of non resident entities. However, Noteholders who are Corporate Income Taxpayers or Non-Residents' Income Taxpayers can benefit from a withholding tax exemption when the Notes are listed in an OECD official stock exchange.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the regulations of Spanish Personal Income Tax and Corporate Income Tax (Law 36/2006, of November, on PIT Law) when intervening in the transfer or reimbursement of the Notes.

Indirect Taxation

The acquisition, transfer, redemption, reimbursement and exchange of the Notes will be exempt from Transfer Tax and Stamp Duty as well as Value Added Tax.

PORTUGUESE TAXATION

The following is a general summary of certain income and capital gains tax consequences which may arise to Portuguese resident Noteholders. It is included herein solely for information purposes. It is based on the laws presently in force in Portugal, though it is not intended to be, nor should it be considered to be, legal or tax advice. Furthermore, the tax treatment applicable in Portugal to the income and capital gains derived by Portuguese resident Noteholders may vary depending on the final terms and conditions of the relevant Notes. Therefore, prospective Portuguese resident Noteholders should consult their own professional advisers as to the tax implications arising from the acquisition, holding or disposal of the Notes.

This summary does not describe the tax consequences for a Portuguese resident Noteholder of Notes that are redeemable in exchange for, or convertible into, shares, of the exercise, settlement or redemption of such Notes and/or any tax consequences after the moment of the exercise, settlement or redemption.

1. Individuals

(A) Interest or income arising from the refund or redemption of the Notes

Income derived by Portuguese resident individuals from the Notes will, as a general rule, be subject to a 20 per cent. withholding tax if the said income is paid by a Portuguese resident entity. The Noteholders may choose to treat the withholding tax as a final tax or to tax the interest deriving from the Notes at the general progressive Personal Income Tax ("**PIT**") rates varying between 10.5 per cent. and 42 per cent., in which case the withholding will be treated as a payment on account of the final tax due.

In other cases, as a general rule, the Noteholders will have to include the income derived from the Notes in their PIT returns to be subject to taxation at an autonomous rate of 20 per cent.

Should the relevant Notes be deemed to be certificates that do not guarantee more than 100 per cent. of the principal, income from operations related to it (either arising from its sale prior to the redemption, or from its redemption) will be qualified as a capital gain (in this regard it should be noted that under Portuguese legislation, certificates are securities that entitle the Noteholder to receive the value of a certain underlying asset, according to the conditions set out on the issue resolution. Certificates differ from debt securities in that they typically do not give the Noteholder the right to receive a fixed or variable interest). In this case, the individual Noteholder will be able to choose between the taxation of the positive difference between capital-gains and losses at an autonomous rate of 10 per cent. or to aggregate that income to the remaining income to be subject to the general PIT rates (maximum marginal rate of 42 per cent.).

Capital losses do not take part in the calculation of the balance referred in the previous paragraph when the counterpart in the operation is resident in a country or territory listed as a tax haven in order 150/2004 of February 13 ("**Tax Haven**").

(B) Capital gains arising from the transfer of the Notes

As a general rule, the capital gains obtained by Portuguese resident Noteholders on the transfer of the Notes will not be subject to taxation, provided that the Notes are deemed as bonds or as other debt instruments.

Otherwise, any capital gains derived from the transfer of the Notes (namely if they are qualified as certificates or negotiable securities other than bonds or other debt instruments) will be subject to PIT. In this case, the individual Noteholder will be able to choose between the taxation of the positive difference between capital gains and losses at an autonomous rate of 10 per cent. or to aggregate that income to the remaining income to be subject to the general PIT rates (maximum marginal rate of 42 per cent.). Capital losses do not take part in the calculation of the net capital gains when the counterpart in the operation is resident in a Tax Haven.

2. Corporate entities

As a general rule, interest or income derived by corporate entities resident in Portugal, or non-resident corporate entities with a permanent establishment in Portugal to which the income is attributable, from the refund or redemption of the Notes, as well as capital gains arising from their transfer, will be regarded as taxable income and therefore subject to Portuguese Corporate Income Tax ("CIT"), at a 25 per cent. tax rate, to which a municipal surcharge of up to 1.5 per cent. is eventually added, reaching a final maximum rate of 26.5 per cent. Losses arising from the transfer or redemption of the Notes will be, as a general rule, tax deductible.

All prospective Noteholders should seek independent advice as to their tax positions.

AUSTRIAN TAXATION

This section on taxation contains a brief summary with regard to certain important principles which are of significance in Austria in connection with bonds. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for individual potential investors. It is based on the currently valid Austrian tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may also be effected with retroactive effect and may negatively impact on the tax consequences described above. It is recommended that potential purchasers of bonds consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale. Tax risks resulting from the Notes (in particular due to a qualification of the Notes as units in a foreign investment fund pursuant to section 42(1) of the Austrian Investment Funds Act) shall be borne by the purchaser.

Income tax

In the opinion of the Issuer, in general the Notes are to be qualified as bonds in the sense of section 93(3) of the Austrian Income Tax Act.

Individuals subject to unlimited income tax liability holding bonds as a non-business asset are subject to income tax on all resulting interest payments (which term also encompasses the balance between the redemption price and the issue price) pursuant to sections 27(1)(4) and 27(2)(2) of the Austrian Income Tax Act. Such interest payments are subject to a with-holding tax of 25 per cent. in case they are paid out by an Austrian paying agent. This withholding tax has the effect of final taxation in the case of a public placement of the bonds (i.e. no additional income tax is levied over and above the amount of tax withheld). Even if interest payments are not effected through an Austrian paying agent, a flat income tax rate of 25 per cent. applies in the case of a public placement of the bonds. Since in this case no withholding tax is levied, interest payments must be included in the income tax return.

Individuals subject to unlimited income tax liability holding bonds as a business asset are subject to income tax on all resulting interest payments (which term also encompasses the balance between the redemption price and the issue price). Such interest payments are subject to a withholding tax of 25 per cent. in case they are paid out by an Austrian paying agent, this withholding tax having the effect of final taxation in the case of a public placement of the bonds (i.e. no additional income tax is levied over and above the amount of tax withheld). Even if interest payments are not effected through an Austrian paying agent, a flat income tax rate of 25 per cent. applies in the case of a public placement of the bonds. Again, such income has to be included in the income tax return.

Corporations subject to unlimited corporate income tax liability are subject to corporate in-come tax on all interest payments (which term also encompasses the balance between the redemption price and the issue price) resulting from bonds at a rate of currently 25 per cent. Under the conditions set forth in section 94(5) of the Austrian Income Tax Act, no with-holding tax is levied.

Private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in section 13(1) of the Austrian Corporate Income Tax Act and holding bonds as a non-business asset are subject to corporate income tax on all interest payments received (which term also encompasses the balance between the redemption price and the issue price) pursuant to section 13(3)(1) of the Austrian Corporate Income Tax Act at a rate of 12.5 per cent. in the case of a public placement of the bonds. Under the conditions set forth in section 94(11) of the Austrian Income Tax Act, no withholding tax is levied.

Pursuant to section 42(1) of the Austrian Investment Funds Act, a foreign investment fund is defined as any assets subject to a foreign jurisdiction which, irrespective of the legal form they are organized

in, are invested according to the principle of risk-spreading on the basis either of a statute, of the entity's articles or of customary exercise. This term, however, does not encompass collective real estate investment vehicles pursuant to section 14 of the Austrian Capital Markets Act. It should be noted that the Austrian tax authorities have commented upon the distinction between index certificates of foreign issuers on the one hand and foreign investment funds on the other hand in the Investment Fund Regulations. Pursuant to these, no foreign investment fund may be assumed if for the purposes of the issuance no predominant actual purchase of the underlying assets by the issuer or a trustee of the issuer, if any, is made and no actively managed assets exist. Directly held bonds shall, however, not be considered as foreign investment funds if the performance of the bonds depends on an index, notwithstanding the fact whether the index is a well-known one, an individually constructed "fixed" index or an index which is changeable at any time.

EU withholding tax

Section 1 of the Austrian EU Withholding Tax Act – which transforms into national law the pro-visions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent to a beneficial owner who is an individual resident in another Member State is subject to a withholding tax if no exception from such withholding applies. Currently, the withholding tax amounts to 20 per cent. As of 1 July 2011 it will be increased to 35 per cent.

Inheritance and gift tax

According to the Gift Notification Act of 2008 the Austrian inheritance tax as well as the Austrian gift tax expired as of 1 August 2008. This means that *inter alia* transfers of assets both *inter vivos* (e.g. as a gift) and *mortis causa* (e.g. as an inheritance) after 31 July 2008 are neither subject to inheritance tax nor to gift tax (in the case of transfers to certain foundations a foundation tax (*Stiftungseingangssteuer*) of either 2.5 per cent. or 25 per cent. will, however, fall due). Instead of the inheritance and gift tax a notification obligation has been introduced for certain gifts *inter vivos*.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement dated 29 May 2009 (the "**Programme Agreement**", which expression includes the same as it may be updated or supplemented from time to time) agreed with the Issuers a basis upon which they (or any one of them) may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*" and "*Form of the Notes*" above.

The following selling restrictions may be modified by the Issuers and the relevant Dealers following a change in the relevant law, regulation or directive and in certain other circumstances as may be agreed between the Issuers and the relevant Dealers. Any such modification will be set out in the Final Terms and (if applicable) the subscription agreement in respect of the Tranche to which it is related or in a supplement to this Document.

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, The Netherlands and the Republic of Italy.

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 Directive 2003/71/EC (including any relevant implementing measure in each Relevant Member State, the "**Prospectus Directive**") is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this 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 Notes to the public in that Relevant Member State:

(i) if the final terms in relation to the Notes specify that an offer of those Notes 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 Notes 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, all in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

(ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iv) at any time to fewer than 100 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;

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

provided that no such offer of Notes referred to in (ii) to (v) 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; or

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor

to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

United States

Selling Restrictions

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

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 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 not offer, sell or deliver such Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part only in accordance with Rule 903 of Regulation S under the Securities Act. 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 Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Notes linked to an Underlying Reference, Physical Delivery Notes or Foreign Exchange (FX) Rate Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Transfer Restrictions

Each purchaser of Registered Notes 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):

(i) that it is outside the United States and is not a U.S. person;

(ii) that the Notes 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 Notes 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 except as set forth below;

(iii) that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Registered Global Notes;

(iv) that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of the Notes, as determined and certified by the relevant Dealer or, in the case of an issue of Notes or syndicated basis, the relevant lead manager of the Notes), it will do so only (a) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (b) in accordance with all applicable U.S. State and Federal securities laws; and it acknowledges that the Registered Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE NOTES 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 U.S. 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 EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

(v) 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 Notes 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.

United Kingdom

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

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets 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 an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(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 Notes in, from or otherwise involving the United Kingdom.

France

(i) In respect of Notes constituting obligations under French law or titres de créances négociables under French tax law, or other debt instruments issued under French or foreign law and fiscally assimilated thereto each of the Dealers and the Issuer has represented, warranted and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (investisseurs qualifiés) as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier.

(ii) In respect of Notes which do not constitute obligations under French law or titres de créances négociables under French tax law, or other debt securities considered by instruments issued under French or foreign law and fiscally assimilated thereto, each of the Dealer and the Issuer has represented, warranted and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in the Republic of France and each subscriber will be domiciled or resident for tax purposes outside the Republic of France.

Pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the General Regulation of the *Autorité des marchés financiers* (in each case as may be amended from time to time), the circumstances in which an offer of Notes shall not constitute a public offer (*appel public à l'epargne*) in France include, but are not limited to, an offer of Notes:

(a) addressed solely to qualified investors (*investisseurs qualifiés*) acting for their own account; and/or

(b) addressed solely to a limited number of investors (*cercle restreint d'investisseurs*)[28]; and/or

(c) addressed solely to providers of investment services relating to portfolio management for the account of third parties; and/or

(d) addressed to investors who acquire Notes for a total consideration of at least euro 50,000 (or its equivalent in another currency) per investor, for each separate offer; and/or

(e) whose denomination per Note amounts to at least Euro 50,000 (or its equivalent in another currency); and/or

(f) with a total consideration of less than euro 100,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months.

In addition, each of the Dealers and the Issuer has represented, warranted and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Base Prospectus or any other offering material relating to the Notes other than in circumstances that do not constitute a public offer (*appel public à l'épargne*) in France.

If necessary these selling restrictions will be supplemented in the relevant Final Terms.

Belgium

With regard to Notes having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), this Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank-, Financie- en Assurantiewezen/Commission Bancaire, Financière et des Assurances*) (the "**CBFA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would be characterised as or result in a public offering of such Notes in Belgium in accordance with the Prospectus Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

With regard to fund linked Notes, the funds to which the fund linked Notes are linked are not registered and will not be registered in Belgium with the CBFA under the Belgian law of 20 July 2004 on certain forms of collective investment portfolios. The shares and other securities issued by these funds cannot be offered publicly in Belgium.

The Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1998, as amended; the "**FIEA**") and each Dealer has represented and

[28] According to Articles L.411-2 II and D.411-4 of the Code, a limited number of investors is less than 100 investors other than qualified investors.

agreed, and each further dealer appointed under the Programme will be required to represented and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Netherlands

Each Dealer has represented and agreed that any Notes with a maturity of less than 12 months and a denomination of €50,000 will only be offered in The Netherlands to professional market parties as defined in the Financial Supervision Act and the decrees issued pursuant thereto.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-*ter*, first paragraph, letter (*b*) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(b) in compliance with Article 129 of the 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 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 imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

General

Each Dealer has agreed and each other Dealer appointed under the Programme 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 Notes or possesses or distributes this 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 Notes 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 or any other Dealer shall have any responsibility therefor.

None of BNPP B.V., BNPP or any of the Dealers represents that Notes 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 any such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to the best of its knowledge and belief to comply with such other restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms.

General Information

1. Authorisation

No authorisation procedures are required of BNPP by French law for the update of the Programme or the giving of the Guarantee. However, to the extent that Notes issued by BNPP under the Programme may constitute obligations under French law, the issue of such Notes is authorised pursuant to the Board resolution dated 13 May 2009. The update of the Programme and the issue of Notes under the Programme were approved by resolutions of the Board of Directors of BNPP B.V. dated 14 May 2009.

2. Approval of the CSSF and Listing on the Official List of the Luxembourg Stock Exchange and Admission to trading on the Regulated Market and the EuroMTF Market of the Luxembourg Stock Exchange

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") to approve this Document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on (i) the Regulated Market of the Luxembourg Stock Exchange and (ii) the EuroMTF Market of the Luxembourg Stock Exchange.

3. Notification

Each Issuer may request the CSSF to provide the competent authority of any EEA State with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* which implements the Prospectus Directive into Luxembourg law.

4. Documents Available

Copies of:

(i) copies of the *Status* of BNPP and the Memorandum and Articles of Association of BNPP B.V.;

(ii) the audited annual consolidated financial statements of BNPP for the two years ended 31 December 2007 and 2008;

(iii) the most recently published audited annual consolidated financial statements and unaudited semi-annual consolidated financial statements and quarterly results of BNPP;

(iv) the audited annual non-consolidated financial statements of BNPP B.V. for the two years ended 31 December 2007 and 2008 (BNPP B.V. does not produce consolidated annual reports);

(v) the most recently published audited annual non-consolidated financial statements and audited semi-annual interim non-consolidated financial statements of BNPP B.V. (BNPP B.V. does not produce consolidated reports);

(vi) the Programme Agreement, the Deed of Covenant, the Guarantee and the Agency Agreement (which includes the forms of the Global Notes and the definitive Notes, the Receipts, the Coupons and the Talons); and

(vii) the Information Statement relating to BNPP dated 28 May 2009 including BNPP's 1st quarter results for the three month period ended 31 March 2009,

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the offices of BNP Paribas Securities Services, Luxembourg Branch at 33 rue de Gasperich, Howald - Hesperange, L-2085 Luxembourg. In addition, (ii), (iii) and (vii) above are available on the Issuer's website: "www.invest.bnpparibas.com". In addition, copies of this Base Prospectus, any Final Terms relating to securities listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, and any

documents incorporated by reference in this Base Prospectus are available on the Luxembourg Stock Exchange's website: "www.bourse.lu".

5. Material Adverse Change

There has been no material adverse change in the prospects of BNPP or the Group since 31 December 2008.

Save that it is anticipated that the issuance activity of BNPP B.V. will remain low whilst market conditions such as those witnessed in the last quarter of 2008 prevail, there has been no material adverse change in the prospects of BNPP B.V. since 31 December 2008.

6. Legal and Arbitration Proceedings

Save as disclosed in the Information Statement on pages 79, 80 and 99, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either 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 either Issuer and/or the Group's financial position or profitability.

7. Significant Change

There has been no significant change in the financial position of the Group, other than the tie-up with Fortis Bank, since 31 December 2008 being the end of the last financial period for which audited financial statements have been published.

No significant change has occurred in the financial position or trading position of BNPP B.V. since 31 December 2008 (being the end of the last financial period for which audited financial information has been published).

8. Material Contracts

Neither Issuer has entered into contracts outside the ordinary course of its respective business, which could result in the relevant Issuer being under an obligation or entitlement that is material to such Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.

9. Third Party Information

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

10. Conflicts of Interests

To the knowledge of the Bank, the duties owned by the members of the Board of Directors of the Bank do not give rise to any potential conflicts of interest with such members' private interests or other duties.

11. Auditors

The statutory auditors (Commissaires aux comptes) of BNPP are currently the following:

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011.

Deloitte & Associés is represented by Pascal Colin.

Deputy:

BEAS, 7-9, Villa Houssay, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Etienne Boris.

Deputy:

Pierre Coll, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011. 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*).

As per May 2006 Deloitte Accountants B.V. has replaced PricewaterhouseCoopers Accountants N.V. as BNPP B.V. auditors. Deloitte Accountants B.V. are independent public accountants in The Netherlands registered with NIVRA (*Nederlands Instituut voor Register Accountants*). The financial statements of BNPP B.V. have been audited without qualification by Deloitte Accountants B.V. for the years ended 31 December 2007 and 31 December 2008.

The address of Deloitte Accountants B.V. is Orlyplein 10, 1043 DP Amsterdam.

12. Clearing Systems

The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The common code and ISIN for each issue allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearing system (including Euroclear France) will be contained in the relevant Final Terms. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

13. Post-Issuance Information

The Issuers do not intend to provide any post-issuance information in relation to any underlying in relation to any issue of Notes.

PRINCIPAL OFFICE OF BNPP

BNP Paribas
16 boulevard des Italiens
F-75009 Paris
France

PRINCIPAL OFFICE OF BNPP B.V.

BNP Paribas Arbitrage Issuance B.V.
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United Kingdom

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United Kingdom

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
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Canary Wharf
London E14 5LB
United Kingdom

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
United Kingdom

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

UBS Limited
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DEALER
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France

PRINCIPAL PAYING AGENT

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Howald – Hesperange
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Luxembourg

REGISTRAR, TRANSFER AGENT AND SETTLEMENT AGENT

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Howald – Hesperange
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Luxembourg

OTHER PAYING AGENT

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General Counsel as to French law

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Co-Head of Capital Market, Legal Department,
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As to French law

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Mazars & Guérard
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