

AVVISO n.11453	21 Giugno 2007	SeDeX – INV. CERTIFICATES
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Mittente del comunicato : Borsa Italiana
Societa' oggetto dell'Avviso : BNP PARIBAS ARBITRAGE ISSUANCE
Oggetto : Inizio negoziazione alla quotazione
Investment Certificates – classe B "BNP
Paribas Arbitrage"

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	“Twin Win Max Certificates su S&P/MIB”
Emittente:	BNP Paribas Arbitrage Issuance B.V.
Garante:	BNP Paribas
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA
Data di inizio negoziazioni:	25 giugno 2007
Mercato di quotazione:	Borsa - Comparto SeDeX “segmento <i>Investment Certificates – classe B</i> ”
Orari e modalità di negoziazione:	Negoziazione continua e l’orario stabilito dall’art. IA.5.1.6 delle Istruzioni
Operatore incaricato ad assolvere l’impegno di quotazione:	BNL Codice specialist: 0425
Modalità di liquidazione dei contratti:	liquidazione a contante garantita il terzo giorno di borsa aperta successivo a quello di conclusione dei contratti.

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

“Twin Win Max Certificates su S&P/MIB”

Quantitativo minimo di negoziazione di ciascuna serie:	vedasi scheda riepilogativa delle caratteristiche dei certificates (colonna “Lotto Neg.”)
Controvalore minimo dei blocchi:	150.000 Euro
Impegno giornaliero ad esporre prezzi denaro e lettera per ciascuna serie:	vedasi scheda riepilogativa delle caratteristiche dei certificates (colonna “N.Lotti M.M.”)
Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 25 giugno 2007, i “Twin Win Max Certificates su S&P/MIB” verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei certificates;
- Final Terms e Conditions dei certificates;
- Traduzione della Nota di Sintesi.

<i>Serie</i>	<i>Isin</i>	<i>Sigla</i>	<i>SIA</i>	<i>Descrizione</i>	<i>Sottostante</i>	<i>Autocallability</i>	<i>Scadenza</i>	<i>Multiplo</i>	<i>Ammontare</i>	<i>Lotto Neg.</i>	<i>N. Lott. MM</i>	<i>Barriera</i>	<i>Part.Up</i>	<i>Part.Down</i>
1	XS0282367514	P67514	438710	BPASPMTWM42993 FB12	S&P MIB	42993	20/02/2012	1000	70000	1	5	23646,15	100%	100%

FINAL TERMS

dated as of 15 January 2007

BNP PARIBAS ARBITRAGE ISSUANCE B.V.

(incorporated in The Netherlands)

(as Issuer)

70,000 “Twin Win Max” Certificates relating to the S&P/MIB™ Index

ISIN CODE: XS0282367514

Issue Date: 19 February 2007

Valuation Date: 20 February 2012

Unconditionally and irrevocably guaranteed by



(incorporated in France)

The issue is underwritten by BNP PARIBAS ARBITRAGE SNC

**Application will be made for the Certificates issued pursuant to the Base Prospectus dated
21 June 2006 as supplemented
to be listed and traded on the market of the Securitised Derivatives (SeDeX) managed by the Italian
Stock Exchange**

Issuer's Warning

The Certificates involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Certificates should recognise that their Certificates may expire worthless. Purchasers should be prepared to sustain a total loss of the purchase price of their Certificates. They should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Certificates and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Certificates in light of their particular financial circumstances and the information set forth herein.

Investor Responsibilities

The Certificates will be offered to the public in ITALY. No action has been or will be taken in any other jurisdiction that would, or is intended to, permit a public offering of the Certificates. The Certificates are sold to any Investor on the understanding that it will comply with all relevant securities laws and public offer requirements in the jurisdictions in which it places or resells the Certificates, including, without limitation, Directive 2003/71/EC (the EU Prospectus Directive) and the relevant implementing measures in any EU member state.

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 June 2006, the Supplement to the Base Prospectus dated 5 September 2006, the Supplement to the Base Prospectus dated 26 October 2006 and the Supplement to the Base Prospectus dated 21 December 2006 which together constitute a base prospectus for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on BNP Paribas Arbitrage Issuance B.V. (the “**Issuer**”) and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at BNP Paribas Securities Services, Luxembourg Branch, 33 rue de Gasperich, Howald-Hesperange, L-2085 Luxembourg and on the Luxembourg’s Stock Exchange’s website “www.bourse.lu” and copies may be obtained free of charge at the specified office of the Certificate Agent.

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

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

1	Issuer:	BNP Paribas Arbitrage Issuance B.V.
2	Guarantor:	BNP Paribas

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Certificates issued / Nominal Amount	Isin Code/ Common Code	Issue Price per Certificate	Redemption Date
N/A	70,000/ EUR 70,000,000	Isin Code: XS0282367514 Common Code: 028236751	EUR 1,000	27 February 2012

General Provisions

The following terms apply to each series of Certificates:

3	Consolidation:	Not Applicable.
4	Type of Certificates:	
	(i)	The Certificates are Index Certificates.

(ii)	The Certificates relate to the S&P/MIB™ Index “SPMIB” (Bloomberg Code: SPMIB; Reuters Code: .SPMIB) (the “ Underlying Index ” or the “ Index ”).
(iii)	The Certificates are “Twin Win Max” Certificates.
5	Form of Certificates: Permanent Global Certificate (the form of which is set out in the Agency Agreement).
6	Averaging: Averaging does not apply to the Certificates.
7	Number of Certificates being issued: The number of Certificates being issued is set out in “Specific Provisions for each Series” above.
8	Issue Price: The issue price per Certificate is set out in “Specific Provisions for each Series” above.
9	Trade Date: The trade date of the Certificates is 10 January 2007.
10	Issue Date: The issue date of the Certificates is 19 February 2007
11	Exchange Business Day: Applicable. Single Index Basis applies.
12	Scheduled Trading Day: Applicable. Single Index Basis applies.
13	Business Day Centre(s): The applicable Business Day Centre for the purposes of the definition of “Business Day” in Condition 4 is TARGET.
14	Settlement: Settlement will be by way of cash payment (Cash Settled Certificates).
15	Variation of Settlement:
(i)	Issuer’s option to vary settlement: The Issuer does not have the option to vary settlement in respect of the Certificates.
(ii)	Variation of Settlement of Physical Delivery Securities: Not Applicable.
16	Exchange Rate: Not Applicable.
17	Settlement Currency: The settlement currency for the payment of the Cash Settlement Amount is EUR.
18	Agent: The Agent is BNP Paribas Securities Services, Luxembourg Branch.

19	Calculation Agent:	The Calculation Agent is BNP Paribas Arbitrage SNC, 8 rue de Sofia, 75018 Paris, France.
20	Exchange(s):	Not Applicable.
21	Exchange(s), Index Sponsor, Related Bond and Index/Commodity Currency:	<p>For the purposes of Condition 16(A):</p> <p>(a) the relevant Exchange(s) is (are), in respect of each component security of the Index (each a “Component Security”), the principal stock exchange(s) on which such Component Security is principally traded, as determined by the Calculation Agent.</p> <p>(b) the relevant Index Sponsor is Standard and Poor’s, a division of Mc Graw Hill Companies, Inc. or any successor acceptable to the Calculation Agent;</p> <p>(c) the relevant Index Currency is EUR.</p> <p>The Index is a Composite Index for the purpose of these Final Terms.</p>
22	Related Exchange(s):	For the purposes of Condition 16(A), the relevant Related Exchange(s) means the organised exchange(s) on which futures and or option contracts relating to the Index are traded or any succeeding exchange(s) thereto.
23	Multiplier:	Not Applicable.
24	Nominal Amount:	Not Applicable.
25	Relevant Asset(s):	Not Applicable.
26	Entitlement:	Not Applicable.
27	Settlement Price:	As defined in Condition 4 of the Base Prospectus.
28	Disrupted Day:	If the Strike Date, any Observation Date t_i (each as defined in § 45) or the Valuation Date (as defined in Condition 4), as the case may be, is a Disrupted Day, the Settlement Price will be calculated as provided in the definition of “Valuation Date” in the Terms and Conditions of the Certificates contained in the Base Prospectus.
29	Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.
30	Redemption of underlying Debt Securities:	Not Applicable.

- 31 Relevant Time: The relevant time on the Strike Date and on any Observation Date, except Observation Date₅ (the Valuation Date), will be the time when the official closing level (the “**Closing Level**”) of the Index is determined and published by the Index Sponsor.
- The relevant time on the Valuation Date will be the time when the official opening level (the “**Opening Level**”) of the Index is determined and published by the Index Sponsor.
- 32 Currency Certificates: Not Applicable.
- 33 Additional Disruption Events: Not Applicable.

34 Special conditions or other modifications to the Terms and Conditions:

Minimum trading number of Certificates: The minimum number of Certificates that may be traded on any day by the Certificate holder is (1) one Certificate and in excess thereof by multiples of (1) one Certificate.

Distribution fee: A placement fee may be paid to intermediaries.

Condition 7(E) - Rights of Holders and Calculations

The following shall be deemed to be added at the end of the first paragraph of Condition 7(E) (Rights of Holders and Calculations):

“unless such errors or omissions are due to its own wilful misconduct or gross negligence”

Condition 8 (Illegality); Condition 16(A)(b)(2)(b) (Index Certificates - Adjustments to an Index - Modification and Cessation of Calculation of an Index):

The following shall be deemed to be deleted from Condition 8 (Illegality) and Condition 16(A)(b)(2)(b) (Index Certificates - Adjustments to an Index - Modification and Cessation of Calculation of an Index):

“less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the relevant Final Terms)”

Condition 10(D) - Modifications

The first sentence of Condition 10(D) (Modifications) shall be deemed to be replaced by the following:

"The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders and such modification is of a

formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein".

Condition 16 (A)(b)(2)(b)

Paragraph (i) bis shall be deemed to be added between point (i) and (ii):

"The Calculation Agent shall replace the Index by a new similar Index, multiplied, if needed be, by a linking coefficient allowing to ensure continuity in the evolution of the underlying asset of the Certificates".

The following sentence shall be deemed to be added at the end of the paragraph:

"The Calculation Agent will adjust any relevant terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates".

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|----|---|--|
| 35 | Listing: | Application will be made for the Certificates issued pursuant to the Base Prospectus dated 21 June 2006 to be listed and to admit the Certificates to be traded on the market of the Securitised Derivatives (SeDeX) managed by the Italian Stock Exchange (the "Regulated Market"). |
| 36 | Selling Restrictions: | As described in the Base Prospectus. |
| | (i) Eligibility for sale of Certificates in the United States to AIs: | The Certificates are not eligible for sale in the United States to AIs. |
| | (ii) Eligibility for sale of Certificates in the United States to QIBs within the meaning of Rule 144A: | The Certificates are not eligible for sale in the United States under Rule 144A to QIBs. |
| 37 | Additional U.S. federal income tax consequences: | Not Applicable. |
| 38 | Registered broker/dealer: | Not Applicable. |
| 39 | Syndication: | The Certificates will be distributed on a non-syndicated basis. |
| 40 | Additional or Alternative Clearing System: | Monte Titoli S.p.A. |
| 41 | Governing law: | English law. |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|----|------------------|------------------|
| 42 | Redemption Date: | 27 February 2012 |
|----|------------------|------------------|

43 Cash Settlement Amount/
Redemption Amount: The Certificateholder will receive on the Redemption Date in respect of one Certificate, the following Cash Settlement Amount:

1) If the closing level of the Underlying Index has never been less than the **Knock-out Level** during the **Knock-out Determination Period**:

$$D \times [100\% + 100\% \times \text{Max Premium}]$$

2) Otherwise:

$$D \times \{100\% + [(\text{Index}_{\text{Final}} / \text{Index}_{\text{Initial}}) - 1]\}$$

Where:

D means the Notional Amount of each Certificate (as defined in § 48);

Knock-out Level means the level specified as such in § 49 (i) (a) below;

Knock-out Determination Period means the period specified as such in § 49 (i) (c) below;

Max Premium is calculated as follows:

$$\text{Max Premium} = \text{Max}_t (\text{Performance}_t)$$

With:

t running from 1 to 5

$$\text{Performance}_t =$$

$$\text{Max}\{[(\text{Index}_t / \text{Index}_{\text{Initial}}) - 1]; [1 - (\text{Index}_t / \text{Index}_{\text{Initial}})]\}$$

Index_{Initial} means the Closing Level of the Underlying Index on the Strike Date;

For t running from 1 to 4, **Index_t** means the Closing Level of the Underlying Index on any Observation Date_t

Index₅ = Index_{Final} means the Opening Level of the Underlying Index on the Valuation Date.

Pursuant to Article 2.2.20 of the Rules of the markets organised and managed by Borsa Italiana S.p.A., each Certificateholder may notify the Issuer that it waives its right to payment of any such Cash Settlement Amount, by delivery to the Agent, with a copy to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10.00 a.m. (Milan Time) on the Valuation Date of a notice (the “**Waiver Notice**”, substantially in the form of annex B to these Final terms)

Copies of the Waiver Notice may be obtained during normal business hours from the specified office of any Certificate Agent.

If no Waiver Notice is received on the Valuation Date or such notice is received after 10.00 a.m. (Local Time) on the Valuation Date, the cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

No Waiver Notice may be withdrawn after receipt thereof by the relevant Agent. After delivery of a Waiver Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

44	Valuation Date:	20 February 2012
45	Observation Dates :	19 February 2008 (t=1), 19 February 2009 (t=2), 19 February 2010 (t=3), 21 February 2011 (t=4) and 20 February 2012 (t=5) (i.e. the “Valuation Date”)
46	Observation Period:	Not Applicable.
47	Settlement Business Day:	Not Applicable.
48	Notional Amount of each Certificate:	EUR 1,000.
49	Index Linked Redemption Amount	
	(i) Knock-in Event:	Not Applicable.
	(ii) Knock-out-Event:	Applicable / The Closing Level of the Index is less than Knock-out-Level at least once during the Knock-out Determination Period
	(a) Knock-out-Level	$55\% \times \mathbf{Index}_{\text{Initial}}$
	(b) Knock-out Period Beginning Date	The first Scheduled Trading Day immediately after the Strike Date.
	(c) Knock-out Determination Period:	The period from but excluding the Strike Date to and excluding the Valuation Date.
	(d) Knock-out Determination Day(s):	Each Scheduled Trading Day within the Knock-out Determination Period. If any such day (except the Valuation Date) is a Disrupted Day, Omission will apply.

- (e) Knock-out Period Not Applicable.
Beginning Date
Scheduled Trading Day
Convention:
- (f) Knock-out Period The first Scheduled Trading Day immediately before the
Ending Date: Valuation Date.
- (g) Knock-out Period Not Applicable.
Ending Date/
Scheduled Trading Day
Convention:
- (h) Knock-out Valuation The Relevant Time (see § 31).
Time:
- (iii) **Automatic Early** Not Applicable.
Redemption Event:
- (iv) **Strike Date:** 19 February 2007

50 **Share Linked Redemption Amount**

Not Applicable

51 **Commodity Linked Redemption Amount**

Not Applicable

52 **Inflation Linked Redemption Amount**

Not Applicable

PROVISIONS RELATING TO INTEREST IN RESPECT OF CERTIFICATES

- 53 Interest Payment Dates: Not Applicable.
- 54 Interest Rate: Not Applicable.
- 55 Fixed Rate Provisions: Not Applicable.
- 56 Floating Rate Provisions: Not Applicable.
- 57 Conditional Interest: Not Applicable.

ISSUER CALL OPTION IN RESPECT OF CERTIFICATES

- 58 Issuer Call Option: Not Applicable.

HOLDER PUT OPTION IN RESPECT OF CERTIFICATES

- 59 Holder Put Option: Not Applicable.

Listing Application

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Securities described.

Responsibility

Each of the Issuer (in respect of itself) and the Guarantor (in respect of itself and the Issuer) accepts responsibility for the information contained in these Final Terms. The information included in Part B (the Financial Information) consists of extracts from or summaries of information that is publicly available in respect of the Index.

Signed on behalf of BNP Paribas Arbitrage Issuance B.V

As Issuer:

By:Duly authorised

PART B – OTHER INFORMATION

1 Ratings

Ratings: The Certificates to be issued have not been rated.

2 Notification

Notwithstanding the selling restriction contained in the Base Prospectus under the "Offering and Sale", "Republic of Italy" section, the offer of Certificates in Italy has been registered with CONSOB in compliance with Articles 17 and 18 of the Prospectus Directive as implemented in Italy by Article 10-bis of CONSOB Regulation no. 11971 of 14 May 1999, as amended. The Commission de Surveillance du Secteur Financier on August 4th, 2006 has provided CONSOB with a copy of the Base Prospectus and a certificate of approval attesting that the said Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Commission de Surveillance du Secteur Financier has also provided CONSOB with copies of three Supplements to the Base Prospectus and the relevant certificates of approval, respectively on September 7th, 2006, October 30th, 2006 and December 22nd, 2006.

3 Interests of Natural and Legal Persons Involved in the Issue/Offer

As described in the Base Prospectus.

4 Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer The net proceeds from the issue of Certificates 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.

Estimated net proceeds: The estimated net proceeds is not available.

Estimated total expenses: The estimated total expenses is not available

5 Index Disclaimer

These Certificates are not sponsored, endorsed, sold or promoted by Standard & Poor's Corporation ("S&P"). S&P makes no representation or warranty, express or implied, to the parties to this transaction or any member of the public regarding the advisability of investing in securities generally or in these Certificates particularly or the ability of S&P 500 Index to track general stock market performance. S&P's only relationship to BNP Paribas (the "Licensee") is the licensing of certain trademarks and trade names of S&P and of the S&P 500 Index which is determined, composed and calculated by S&P without regard to the Licensee or this Transaction. S&P has no obligation to take the needs of the Licensee or the parties to the transaction into consideration in determining, composing or calculating the S&P 500 Index. S&P is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of this transaction to be issued or in the determination or calculation of the equation by which this transaction is to

be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of these Certificates.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE LICENSEE, THE PARTIES TO THIS TRANSACTION, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

6 Other Information concerning the Certificates to be offered/ admitted to trading

Adjustment rules with relation to events concerning the underlying:	As detailed in Condition 16(A) of the Terms and Conditions of the Certificates contained in the Base Prospectus.
Source of information relating to the Index	Bloomberg and Reuters
Place where information relating to the Index can be obtained	Information on the S&P/MIB Index shall be available on the website: www.standardandpoors.com
Post-Issuance information:	The Issuer does intend to provide any Post-Issuance information.

7 Explanation of Effect on Value of Investment and Associated Risks

The “Twin Win Max” is a EUR denominated Certificate.

The Certificateholder will receive, on the Redemption Date, a Cash Settlement Amount as specified in § 43. Accordingly, investors should be aware that they may sustain a partial or total loss of the purchase price of their Certificates and then the Certificates are not capital guaranteed.

During the secondary market period, the price of the Certificates will depend upon market conditions and may be subject to significant fluctuations.

Over the same time period, the yield of the Certificate may well be inferior to the yield of a market-neutral-risk investment.

8 Terms and Conditions of the Offer

Conditions to which the offer is subject:	The Issuer reserves the right to withdraw the offer of the Certificates at any time on or prior to the Offer End Date (as defined below). For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Certificates.
Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:	Publication (i) on the web site of the Co-ordinator of the offer (www.rasbank.it), and (ii) by loading the following link (http://www.eqd.bnpparibas.com/Twinwinmax/Italy), in each case on or around 19 February 2007.
The time period, including any possible amendments, during which the offer will be open and description of the application process:	From, and including, 16 January 2007 to, and including 9 February 2007, or such earlier date as the Issuer determines as notified on or around such earlier date by publication (i) on the web site of the Co-ordinator of the offer (www.rasbank.it), and (ii) by loading the following link (http://www.eqd.bnpparibas.com/Twinwinmax/Italy), (the “Offer End Date”).
A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:	Not Applicable.
Details of the minimum and/or maximum amount of application:	Minimum subscription amount per investor: EUR 3,000 Maximum subscription amount per investor: EUR 70,000,000
Method and time limits for paying up the Securities and for delivery of the Securities:	The Certificates are cleared through the clearing systems and are due to be delivered on or about 19 February 2007.
Manner and date in which results of the offer are to be made public:	Publication (i) on the web site of the Co-ordinator of the offer (www.rasbank.it), and (ii) by loading the following link (http://www.eqd.bnpparibas.com/Twinwinmax/Italy), in each case on or around 19 February 2007.
Categories of potential investors to which the securities are offered:	Retail, private and institutional investors

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	In the case of oversubscription, allotted amounts will be notified to applicants by way of a publication in daily newspapers with general circulation in Italy. No dealing in the Certificates may be before any such notification is made. In all other cases, allotted amounts will be equal to the amount of the application, and no further notification shall be made. In all cases, no dealing in the Certificates may begin prior to the Issue Date.
Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:	RasBank Piazza Erculea 15, 20122 Milan, Italy
Name and address of any paying agents:	BNP Paribas Securities Services Luxembourg Branch 33 rue de Gasperich Howald Hesperange L-2085 Luxembourg
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	Not Applicable
When the underwriting agreement has been or will be reached:	Not Applicable

ANNEX A**INFORMATION TO ITALIAN INVESTORS****TAXATION**

Purchasers of Certificates may be required to pay taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Certificate.

TRANSACTIONS INVOLVING CERTIFICATES MAY HAVE TAX CONSEQUENCES FOR POTENTIAL PURCHASERS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE POTENTIAL PURCHASER AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING CERTIFICATES SHOULD CONSULT THEIR OWN TAX ADVISERS.

Taxation in the Republic of Italy

The following is a summary of current Italian law and practise relating to the taxation of the Certificates, The statements herein regarding taxation are based on the laws in force in Italy as at the date of these Final Terms and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Certificates and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Legislative Decree No. 344 of 12 December 2003 published in the Italian Official Gazette of 16 December 2003 No. 291 (Ordinary Supplement No. 190), effective as of 1 January 2004, introduced the reform of taxation of corporations and of certain financial income amending the Italian Income Taxes Consolidated Code.

Legislative Decree No. 247 of 19 November 2005 (known as the "Correttivo IRES") published in the Italian Official Gazette No. 280 of 1 December 2005, amended Decree No. 344 on certain provisions related to the taxation of corporations and of certain financial income.

It is expected that the Italian Government may in the near future be authorized by the Italian Parliament to amend the tax regime applicable to financial income. In particular, the Italian Government may be authorized to raise the rate of imposta sostitutiva, as described below, from 12.5 per cent. up to 20 per cent.

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 purchasers are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Certificates.

Italian taxation of Certificates

Capital gains

Pursuant to Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Certificateholder is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate taxation, capital gains received under the sale, redemption or exercise of the Certificates are subject to a 12.5 per cent. substitute tax (*imposta sostitutiva*).

In accordance with a conservative interpretation of current tax law, the aforesaid capital gains would be subject to a 27 per cent. final withholding tax.

The recipient may opt for three different taxation criteria:

- (1) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Certificates are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual holding the Certificates not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Certificates carried out during any given tax year. Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (2) As an alternative to the tax declaration regime, Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Certificates (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Certificateholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Certificates (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Certificateholder or using funds provided by the Certificateholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Certificates results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax years or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Certificateholder is not required to declare the capital gains in the annual tax return.
- (3) Any capital gains realised by Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Certificates, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. substitute tax, to be paid by the managing

authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Certificateholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Certificateholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to *imposta sostitutiva*, but must be included in: (i) the relevant Certificateholder's yearly taxable income for corporate income tax purposes (IRES), applying at a rate equal to 33%; and (ii) in certain circumstances, depending on the *status* of the Certificateholder, also in its net value of production for the purposes of regional tax on productive activities (IRAP), generally applying at the rate of 4.25%. Such capital gains are therefore subject to general Italian corporate taxation according to the ordinary rules.

Capital gains realised by non-Italian resident Certificateholders are not subject to Italian taxation, regardless of whether the Certificates are held in Italy, subject to the condition that the Certificates are listed in a regulated market (e.g., Luxembourg Stock Exchange)..

Payments made by the Guarantor

Under one interpretation of Italian tax law, in case payments on the Certificates are made by the Guarantor the same rules outlined above should apply.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (**EU Savings Directive**), Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, deducting tax at rates raising over time to 35%.

The transitional period will terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their 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 residual in one of those territories.

Implementation in Italy of the EU Savings Directive

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 starting from 1 July 2005 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 (i.e., banks, investment companies, fiduciary companies, management companies resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other

economic operator resident for the purposes in Italy paying interest for professional or commercial reasons) 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 by June 30 of the fiscal year following the fiscal year in which the relevant interest payment is made.

ANNEX B

STANDARD FORM OF WAIVER NOTICE

To be completed by the holder of the Certificates

70,000 Twin Win Max Certificates relating to the S & P /MIB™ Index

Isin Code: XS0282367514
Common Code: 028236751

When completed, this Notice should be delivered to the Agent, with a copy to Euroclear or Clearstream, Luxembourg, as the case may be, not later than 10.00 a.m., Milan time, on the Valuation Date.

To: BNP Paribas Securities Services,
Luxembourg Branch
33, rue de Gasperich Howald-Hesperange
L-2085 Luxembourg

(Attention: Global Corporate Trust)

Attn.: Anne Nurdin

Fax: 00352.26.96.97.57

e-mail: anne.nurdin@bnpparibas.com

Copy: Clearstream Banking, société anonyme

42 Avenue JF Kennedy
L-1855 Luxembourg

Attn.: Corporate Action

Fax: 0035224338248

e-mail: corporateactionsicsd@clearstream.com

or: Euroclear Bank S.A/N.V.
(as operator of the Euroclear System)
1 Boulevard du Roi Albert II,
B-1210 Brussels
Belgium

Attn.: Issues

Fax: 00 322.24.14.21

e-mail: debt_under_pgm@euroclear.com

Failure properly to complete this Waiver Notice or to submit a substantially similar form of Waiver Notice shall result in the Waiver Notice being treated as null and void.

If this Waiver Notice is subsequently corrected to the satisfaction of the Agent , it will be deemed to be a new Waiver Notice submitted at the time such correction was delivered to the Agent.

PLEASE USE BLOCK CAPITALS

1. Details of Holder(s) of 70,000 Twin Win Max Certificates relating to the S & P MIB™ Index

- (a) Name:
- (b) Address:
- (c) Facsimile:

(d) Telephone:

(e) Account Number :

2. Waiver to the payment of the Cash Settlement Amount

I/We ¹, being the holder of the Certificates referred to below forming part of the above Certificates, hereby waive my/our right to payment of the relevant Cash Settlement Amount in respect of such Certificates in accordance with the terms and conditions thereof.

I/We acknowledge that delivery of the present Notice shall constitute an irrevocable election.

3. Number of Certificates to which this Waiver Notice relates

The Number of Certificates is as follows:

4. Dated:

¹ Delete as appropriate

5. Signed:

REGISTERED OFFICE OF THE ISSUER
BNP PARIBAS ARBITRAGE ISSUANCE B.V.

Herengracht 440
1017 BZ Amsterdam
The Netherlands

REGISTERED OFFICE OF THE GUARANTOR

BNP PARIBAS
16 boulevard des Italiens
75009 Paris
France

CALCULATION AGENT

BNP PARIBAS ARBITRAGE SNC

8 rue de Sofia
75018 Paris
France

CERTIFICATE AGENT

BNP PARIBAS SECURITIES SERVICES

Luxembourg Branch

33 rue de Gasperich

Howald-Hesperange

L-2085 Luxembourg

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates which, in the case of English Law Certificates (as defined in Condition 4), will be attached to each Global Certificate or Private Placement Definitive Certificate (each as defined below). The applicable Final Terms in relation to any issue of Certificates may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Certificates. In the case of English Law Certificates, the applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Certificate of Private Placement Definitive Certificate.

The series of Certificates described in the applicable Final Terms (in so far as it relates to such series of Certificates) (such Certificates being hereinafter referred to as the “**Certificates**”) are issued by whichever of BNP Paribas Arbitrage Issuance B.V. (“**BNPP B.V.**”) or BNP Paribas (“**BNPP**”) is specified as the issuer in the applicable Final Terms (as defined below) (the “**Issuer**”) and references to the Issuer shall be construed accordingly. Rule 144A Certificates and Private Placement Definitive Certificates (each, as defined below) may be issued by BNPP only. The Certificates are issued pursuant to an Agency Agreement dated 21 June 2006 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) 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 agent (if specified in the applicable Final Terms as Agent in respect of the Certificates, the “**Principal Certificate Agent**”, BNP Paribas Arbitrage SNC as agent (if specified in the applicable Final Terms as Agent in respect of the Certificates, the “**Principal Certificate Agent**”), The Bank of New York as New York certificate agent (the “**New York Certificate Agent**”), The Bank of New York as definitive certificate agent (the “**Definitive Certificate Agent**”) (each, a “**Certificate Agent**” and collectively, the “**Certificate Agents**”) and BNP PARIBAS Securities (Japan) Limited as registrar. The expression “Certificate Agent” shall include any additional or successor certificate agent in respect of the Certificates. BNP Paribas or BNP Paribas Arbitrage SNC (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Certificates as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Certificates, include such other specified calculation agent. The Agency Agreement will be governed by English Law in the case of English Law Certificates (the “**English Law Agency Agreement**”) and by French Law in the case of French Law Certificates (as defined in Condition 4 below) (the “**French Law Agency Agreement**”).

English Law Certificates are constituted by an English Law clearing system global certificate (each, a “**Global Certificate**”), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States (such eligibility to be pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), (A) the Certificates sold in the United States to qualified institutional buyers (“**QIBs**”) within the meaning of Rule 144A (“**Rule 144A**”) under the Securities Act (“**Rule 144A Certificates**”) will be represented by one or more Rule 144A global certificates (each, a “**Rule 144A Global Certificate**”), (B) the Certificates sold in the United States to certain accredited investors (“**AIs**”) (as defined in Rule 501(a) under the Securities Act) will be constituted by private placement definitive certificates (the “**Private Placement Definitive Certificates**”), and (C) in either such case, the Certificates sold outside the United States to non-U.S. persons under the exemption contained in Regulation S (“**Regulation S**”) under the Securities Act will be represented by one or more Regulation S global certificates (each, a “**Regulation S Global Certificate**”). References herein to a Global Certificate include, as the context

so requires, a Rule 144A Global Certificate and a Regulation S Global Certificate. In the event that the Final Terms does not specify that Certificates are eligible for sale in the United States or to U.S. persons, the Certificates offered and sold outside the United States to non-U.S. persons under the exemption contained in Regulation S will be represented by a Global Certificate.

In the event that the Certificates are constituted by a Global Certificate, the Global Certificate will be issued and deposited with a common depository (the “**Common Depository**”) on behalf of Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and/or any other relevant Clearing System (as defined below).

Certificates represented by a Rule 144A Global Certificate will be either (i) deposited with a custodian (a “**Custodian**”) for, and registered in the name of a nominee of, The Depository Trust Company (“**DTC**”), or (ii) issued and deposited with the Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System. Certificates represented by a Regulation S Global Certificate will be issued and deposited with the Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificate only as described herein. Interests in a Global Certificate may be exchanged for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Global Certificate only as described herein.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depository for that Global Certificate, or if at any time DTC ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depository is not appointed by BNPP within 90 days of such notice, BNPP will deliver Certificates in definitive registered form (bearing such legends as may be required by BNPP) in exchange for that Rule 144A Global Certificate. Except in these circumstances, owners of beneficial interests in a Rule 144A Global Certificate held by a Custodian on behalf of DTC will not be entitled to have any portion of such Certificates registered in their name and will not receive or be entitled to receive physical delivery of registered Certificates in definitive form in exchange for their interests in that Rule 144A Global Certificate. Transfer, exercise, settlement and other mechanics related to any Certificates issued in definitive form in exchange for Certificates represented by such Rule 144A Global Certificate shall be as agreed between BNPP and the New York Certificate Agent.

French Law Certificates (as defined in Condition 4) are issued in dematerialised form (*au porteur*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of French Law Certificates.

The applicable Final Terms for the Certificates is attached to each Global Certificate and each Private Placement Definitive Certificate and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Certificates.

References herein to the “applicable Final Terms” are to the Final Terms or two or more sets of Final Terms (in the case of any further certificates issued pursuant to Condition 13 and forming a single series with the Certificates) (which, for the avoidance of doubt, may be issued in respect of more than one series of Certificates) insofar as they relate to the Certificates.

Subject as provided in Condition 3 and in the Guarantees (as defined below), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee (as defined in Condition 4). The

original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement and the Guarantees will be available for inspection at the specified office of BNP Paribas Securities Services, Luxembourg Branch, and copies of the applicable Final Terms may be obtained from the specified office of the relevant Certificate Agent, save that if the Certificates are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Certificate Agent as to identity.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders (as defined in Condition 1(B)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Certificates) and the applicable Final Terms, which are binding on them.

1 Type, Title and Transfer

(A) *Type*

The Certificates relate to a specified Index or basket of Indices (“**Index Certificates**”), a specified Share or basket of Shares (“**Share Certificates**”), a specified debt instrument (“**Debt Security**”) or basket of Debt Securities (“**Debt Certificates**”), a specified currency (“**Currency**”) or basket of Currencies (“**Currency Certificates**”), a specified commodity (“**Commodity**”) or basket of Commodities (“**Commodity Certificates**”), a specified inflation Index or basket of inflation indices (“**Inflation Index Certificates**”) or any other or further type of Certificates as is specified in the applicable Final Terms including Certificates which relate to any combination of such indices, shares, debt securities, currencies, commodities and other asset classes or types (“**Hybrid Certificates**”). Certificates related to a specified currency or basket of currencies, a specified commodity or basket of commodities a specified interest rate or basket of interest rates or a specified inflation index or basket of inflation indices, or Hybrid Warrants related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the Securities Act or that are not non-United States Persons as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Certificates, Share Certificates, Debt Certificates, Currency Certificates or Commodity Certificates are set out in Condition 16.

The applicable Final Terms will indicate whether settlement shall be by way of cash payment (“**Cash Settled Certificates**”) or physical delivery (“**Physical Delivery Certificates**”) and whether Averaging (“**Averaging**”) will apply to the Certificates. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 4 below) applies. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to (a) Physical Delivery Certificates which include an option (as set out in the applicable Final Terms) at the Issuer’s election to request cash settlement of such Certificate pursuant to Condition 7(C)(i) and where settlement is to be by way of cash payment, and (b) Physical Delivery Certificates where settlement is to be automatically varied to be by way of

cash payment pursuant to Condition 7(C)(ii). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Certificate pursuant to Condition 7(C)(ii) and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, BNPP does not have the option to vary settlement in respect of the U.S. Certificates pursuant to Condition 7(C)(i).

Certificates may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Certificates where the Holder has elected for cash payment will be Cash Settled Certificates and those Certificates where the Holder has elected for physical delivery will be Physical Delivery Certificates. The rights of a Holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these Conditions.

(B) *Title to Certificates*

In the case of Certificates represented by a Global Certificate held by a Common Depository on behalf of a relevant Clearing System and French Law Certificates, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Certificates) or whose name appears in the account of the relevant Account Holder (in the case of French Law Certificates) as the Holder of a particular amount of Certificates (in which regard any certificate or other document issued by the relevant Clearing System or, as the case may be, Account Holder as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by law) be treated by the Issuer, the Guarantor, if any, and the relevant Certificate Agent as the Holder of such amount of Certificates for all purposes (and the expressions "**Holder**" and "**Holder of Certificates**" and related expressions shall be construed accordingly).

In addition, title to French Law Certificates will be evidenced in accordance with Article L.211-4 of the French Code monétaire et financier by book-entries (*inscription en compte*). No document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of such Certificates. Certificates will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the Rule 144A Global Certificate will be registered in the name of Cede & Co., as nominee of DTC, but this does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global Certificate may be registered. Transfers of such Rule 144A Global Certificate by such nominee of DTC shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Rights conferred by the Rule 144A Global Certificate are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 1(C) below, each person who is for the time being shown in the records of DTC as the Holder of a particular amount of Certificates shall

(except as otherwise required by law) be treated by the Issuer and the New York Certificate Agent as the Holder of such amount of Certificates for all purposes (and the expressions “Holder” and “Holder of Certificates” and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Certificates, BNPP shall cause to be kept at the principal office of the Definitive Certificate Agent, a register (the “Private Placement Register”) on which shall be entered the names and addresses of all holders of Private Placement Definitive Certificates, the amount and type of Private Placement Definitive Certificates held by them and details of all transfers of Private Placement Definitive Certificates. Subject as set forth in Condition 1(C) below, the persons shown in the Private Placement Register (each a “**Holder**”) shall (except as otherwise required by law) be treated as the absolute owners of the relevant Private Placement Definitive Certificates for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(C) *Transfers of Interests in Global Certificates*

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 6.

Subject as set forth in this Condition, all transactions (including permitted transfers of Certificates) in the open market or otherwise must be effected, in the case of Certificates represented by a Global Certificate held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System through an account at Clearstream, Luxembourg or Euroclear, as the case may be, or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC through a direct or indirect participant of DTC, subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Transfers in respect of Certificates represented by a French Law Global Certificate must be effected through Account Holders(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System.

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or any other relevant Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Certificate Agent from time to time and notified to the Holders in accordance with Condition 11.

Subject as set forth in this Condition, Private Placement Definitive Certificates may be transferred by the then current Holder surrendering its Private Placement Definitive Certificate for registration of transfer at the specified office of the Definitive Certificate Agent, duly endorsed by, or accompanied by a written instrument of transfer (in the form satisfactory to BNPP and the Definitive Certificate Agent), duly executed by the Holder or its duly authorised agent. Private Placement Definitive Certificates may only be issued and transferred in minimum nominal amounts of \$250,000.

- (a) Transfers of Certificates to a person who takes delivery in the form of Certificates represented by a Global Certificate may be made only in accordance with the following provisions:
 - (i)
 - (A) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Certificates represented by a Regulation S Global Certificate, to a non-U.S. person in an offshore transaction pursuant to Regulation S;

- (B) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Certificates represented by a Regulation S Global Certificate, within the Distribution Compliance Period (as defined below) only, upon certification (in the form from time to time available from any Certificate Agent) to the New York Certificate Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Certificates in a transaction meeting the requirements of Rule 144A and, after the expiration of the Distribution Compliance Period, in a transaction meeting the requirements of Rule 144A but without such certification;
 - (C) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Private Placement Definitive Certificates upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S;
 - (D) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Private Placement Definitive Certificates upon certification (in the form from time to time available from any Certificate Agent) to the New York Certificate Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Certificates in a transaction meeting the requirements of Rule 144A;
 - (E) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Certificates represented by a Rule 144A Global Certificate, in a transaction meeting the requirements of Rule 144A;
 - (F) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Certificates represented by a Rule 144A Global Certificate upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S; and
 - (G) in each case, in accordance with any applicable rules and regulations of the Principal Certificate Agent, the New York Certificate Agent, the Definitive Certificate Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.
- (ii) The Holder must send:
- (A) in the case of transfers of Private Placement Definitive Certificates, a free of payment instruction to the Definitive Certificate Agent, not later than 5.00 p.m., New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;
 - (B) in the case of transfers of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant

Clearing System, a free of payment instruction to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect; and

- (C) in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a free of payment instruction to DTC, not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

- (iii) On the transfer date:

- (A) (x) in the case of transfers of Certificates represented by a Global Certificate, the relevant Clearing System will debit the account of its participant and (y) in the case of transfers of Private Placement Definitive Certificates, the Holder must deliver the Private Placement Definitive Certificates the subject of the transfer to the Definitive Certificate Agent and instruct the Definitive Certificate Agent to cancel the transferred Private Placement Definitive Certificates; and

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Certificate Agent to instruct the relevant Clearing System to credit the relevant account of the relevant Clearing System participant, and (y) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, (1) the New York Certificate Agent (in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (2) the Definitive Certificate Agent (in the case of transfers of Private Placement Definitive Certificates) to credit the relevant account of the DTC participant, or (3) the Principal Certificate Agent (in the case of transfers of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) to instruct DTC to credit the relevant account of Clearstream, Luxembourg or Euroclear at DTC and/or any other relevant Clearing System and thereafter DTC will debit such account of Clearstream, Luxembourg or Euroclear and/or an other relevant Clearing System, as the case may be, and will credit the relevant account of the DTC participant.

- (iv) Upon any such transfer, on the transfer date:

- (A) the Principal Certificate Agent, in the case of transfers to and/or from a person who takes delivery in the form of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, will increase or decrease, if appropriate, the number of Certificates represented by such Global Certificate, whereupon the number of Certificates represented by such Global Certificate

shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or

- (B) the New York Certificate Agent, in the case of transfers to and/or from a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Certificates represented by such Rule 144A Global Certificate, whereupon the number of Certificates represented by such Rule 144A Global Certificate shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Certificates to a person who takes delivery in the form of Private Placement Definitive Certificates may be made only in accordance with the following provisions:
- (i)
 - (A) in the case of transfers from a Holder of Private Placement Definitive Certificates, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Certificate Agent) to the Definitive Certificate Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI acquiring such Certificates in a transaction exempt from the registration requirements of the Securities Act;
 - (B) in the case of transfers from a Holder of Certificates represented by a Rule 144A Global Certificate, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Certificate Agent) to the Definitive Certificate Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI who is acquiring such Certificates in a transaction exempt from the registration requirements of the Securities Act;
 - (C) in the case of transfers from a Holder of Certificates represented by a Regulation S Global Certificate, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) within the Distribution Compliance Period only, certification (in the form from time to time available from any Certificate Agent) to the Definitive Certificate Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI acquiring such Certificates in a transaction exempt from the registration requirements of the Securities Act; and
 - (D) in each case, in accordance with any applicable securities laws of any state of the United States and any applicable rules and regulations of the New York Certificate Agent, the Definitive Certificate Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.
 - (ii) The Holder must send:
 - (A) in the case of transfers of Private Placement Definitive Certificates, a free of payment instruction to the Definitive Certificate Agent not later than 5.00 p.m.

New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;

- (B) in the case of transfers of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, a free of payment instruction to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect; and
- (C) in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a free of payment instruction to DTC, not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

- (A) in the case of transfers of Certificates represented by a Global Certificate, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Certificates, the Holder must deliver the Private Placement Definitive Certificates the subject of the transfer to the Definitive Certificate Agent and instruct the Definitive Certificate Agent to cancel the transferred Private Placement Definitive Certificates; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Certificate Agent to deliver or procure the delivery of new Private Placement Definitive Certificates, of a like number to the number of Certificates transferred, to the transferee at its specified office or send such new Private Placement Definitive Certificates, by uninsured mail, at the risk of the transferee, to such address as the transferee may request.

(iv) Upon any such transfer, on the transfer date:

- (A) the Principal Certificate Agent will, in the case of transfers of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Certificates represented by such Global Certificate, if appropriate, whereupon the number of Certificates represented by such Global Certificate shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Certificate Agent will, in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, decrease the number of Certificates represented by such Rule 144A Global Certificate, if appropriate, whereupon the number of Certificates represented by such Rule 144A Global Certificate shall, if appropriate, be reduced for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Certificates to a person who takes delivery in the form of a Private Placement Definitive Certificate, the delivery of a duly executed investor representation letter in the form set out in the Agency Agreement (an “**Investor Representation Letter**”) from the relevant transferee to the Definitive Certificate Agent is a condition precedent to the transfer of such Private Placement Definitive Certificate or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee’s attorney duly authorised in writing, at least three Business Days in New York prior to the date the transfer of such Private Placement Definitive Certificate is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on BNPP.

If (i) the Principal Certificate Agent (in relation to Global Certificates held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Certificate Agent (in relation to Rule 144A Global Certificates held by a Custodian on behalf of DTC) or (iii) the Definitive Certificate Agent (in relation to Private Placement Definitive Certificates) subsequently determines or is subsequently notified by BNPP that (i) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Certificate was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, or (ii) the Holder of any interest in any Certificate was in breach, at the time given, of any representation or agreement given by such Holder (including, but not limited to, in the case of Private Placement Definitive Certificates, any such representation or agreement set forth in the relevant Investor Representation Letter) or (iii) a transfer or attempted transfer of any interest in any Certificate was consummated that did not comply with the transfer restrictions set forth in this Condition 1(C), the purported transfer shall be absolutely null and void ab initio and shall vest no rights in the purported transferee (such purported transferee, a “**Disqualified Transferee**”) and the last preceding Holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of transfer of such interest by such Holder.

2 Status of the Certificates and Guarantee

The Certificates are unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves.

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

3 Guarantee

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder’s Certificates 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 Certificates as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant to clause 11 thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates, notwithstanding that the Issuer had the right to vary settlement in

respect of such Physical Delivery Certificates in accordance with Condition 7(C) and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Certificates, but in lieu thereof, to make payment in respect of each such Physical Delivery Certificate of an amount equal to the Cash Settlement Amount that would have been payable upon redemption of such Certificates assuming they were Cash Settled Certificates calculated pursuant to the terms of the relevant Final Terms (the “**Guaranteed Cash Settlement Amount**”) and (ii) in the case of Certificates where the obligations of the Issuer which fail to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, the BNPP B.V. Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Certificates deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 7(B)(5)) or (y) if “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Final Terms, a Failure to Deliver (as defined in Condition 7(B)(6), in lieu of such delivery BNPP will make payment in respect of each such Certificate of, in the case of (x) above, the Guaranteed Cash Settlement Amount or in the case of (y) above, the Failure to Deliver Settlement Price (as defined in Condition 7(B)(6)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Certificate shall constitute a complete discharge of BNPP’s obligations in respect of such Certificate. Payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

4 Definitions

For the purposes of these Terms and Conditions, the following general definitions will apply:

“**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 Certificates are Index Certificates relating to a single Index, Share Certificates relating to a single Share or Certificates which are Commodity Certificates related to a single Commodity the Averaging Date shall be the first succeeding Valid Date (as defined below). If

the first succeeding Valid Date has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to the Valuation Time on the last such consecutive Scheduled Trading Day) 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 that last such consecutive 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 Certificates are Index Certificates relating to a basket of Indices or Share Certificates relating to a basket of Shares or Certificates which are Commodity Certificates related to a basket of Commodities the Averaging Date for each Index, Share or Commodity 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 an Index, Share or Commodity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share or Commodity. If the first succeeding Valid Date in relation to such Index or Share has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to the Valuation Time on the last such consecutive Scheduled Trading Day) 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 that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share or Commodity, 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) where the Certificates are Debt Certificates or Currency Certificates provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open and (i) where the Certificates are Global Certificates, a day on which the relevant Clearing System is open for business and (ii) where the Certificates are Private Placement Definitive Certificates, a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York;

“**Cash Settlement Amount**” means, in relation to Cash Settled Certificates, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms;

“**Clearing System**” means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or DTC and/or Iberclear and/or any additional or alternative clearing system approved by the Issuer and the relevant Certificate Agent(s) from time to time and specified in the applicable Final Terms;

“Disrupted Day” means:-

- (i) in respect of any Composite Index, any Scheduled Trading Day on which (A) the Index Sponsor fails to publish the level of such Index, (B) the Related Exchange fails to open for trading during its regular trading session, or (C) a Market Disruption Event has occurred; and
- (ii) in any other case (other than with respect to Commodity Certificates) 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; or
- (iii) in the case of Commodity Certificates, any Commodity Business Day on which a Market Disruption Event (as defined and described in Condition 16(D)) has occurred;

“Distribution Compliance Period” means the period expiring 40 days after completion of the distribution of the relevant Certificates unless a longer period is specified in the applicable Final Terms. In such event, the Final Terms will specify the additional restrictions on transfer and redemption applicable to the Certificates;

“English Law Certificates” means the Certificates specified in the applicable Final Terms as being governed by English law;

“English Law Guarantee” means a deed of guarantee dated on or before the Issue Date, executed by BNPP in respect of English Law Certificates issued by BNPP B.V.;

“Entitlement” means, in relation to a Physical Delivery Certificate, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 12 rounded down as provided in Condition 7(B)(4), as determined by the Calculation Agent including any documents evidencing such Entitlement;

“Exchange” means:-

- (a) in respect of Index Certificates:-
 - (i) in the case of any Composite Index, in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the securities/commodities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the shares on such temporary substitute exchange or quotation system as on the original Exchange); and
 - (ii) in the case of any Index which is not a Composite Index, and in relation to an Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and
- (b) in respect of Share Certificates and in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in 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);

“**French Law Certificates**” means the Certificates specified in the applicable Final Terms as being governed by French law;

“**French Law Guarantee**” means the *garantie* dated on or about the Issue Date, executed by BNPP in respect of French Law Certificates issued by BNPP B.V.;

“**Guarantee**” means the English Law Guarantee or the French Law Guarantee, as the case may be;

“**Iberclear**” means “La Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal”;

“**Local Time**” means local time in the city of the relevant Clearing System;

“**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 contained in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Observation Date”;

“**Observation Period**” means the period specified as the Observation Period in the applicable Final Terms;

“**Related Exchange**” means, in respect of Index Certificates and in relation to an Index or in respect of Share Certificates and in relation to a Share, each exchange or quotation system specified as such for such Index or 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 Index or 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 Index or 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 Index or such Share;

“**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;

“**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;

“**Settlement Price**” means , unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate:

- (a) in respect of Index Certificates, subject to Condition 16(A) and as referred to in “Valuation Date” below or “Averaging Date” above, as the case may be:
 - (i) in the case of Index Certificates relating to a basket of Indices, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the

Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Multiplier; and

(ii) in the case of Index Certificates relating to a single Index, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date;

(b) in respect of Share Certificates, subject to Condition 16(B) and as referred to in “Valuation Date” below or “Averaging Date” above, as the case may be:

(i) in the case of Share Certificates relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant 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 Share (as defined in Condition 16(B)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant 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 Relevant 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 Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant 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 the relevant Share or on such other factors as the Calculation Agent shall decide, multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

(ii) in the case of Share Certificates relating to a single Share, an amount equal to the official closing price (or the price at the Relevant 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 Share on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such

official closing price (or the price at the Relevant 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 Relevant 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 Relevant Time on the Valuation 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;

- (c) in respect of Debt Certificates, subject as referred to in "Valuation Date" below or "Averaging Date" above:
 - (i) in the case of Debt Certificates relating to a basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the notional amount of such Debt Security, multiplied by the relevant Multiplier;
 - (ii) in the case of Debt Certificates relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security;
- (d) in respect of Currency Certificates:
 - (i) in the case of Currency Certificates relating to a basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the

exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject 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 Relevant Time on the Valuation 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 Multiplier; and

- (ii) in the case of Currency Certificates relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject 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 Relevant Time on the Valuation 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);
- (e) in respect of Commodity Certificates, subject to Condition 16(D) and as referred to in “Valuation Date” below or “Averaging Date” above, as the case may be:
 - (i) in the case of Commodity Certificates relating to a basket of Commodities, an amount (which shall be deemed to be a monetary amount in the Commodity Currency) equal to the sum of the values calculated for each Commodity as the official level for each Commodity as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Commodity determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Multiplier; and
 - (ii) in the case of Commodity Certificates relating to a single Commodity, an amount (which shall be deemed to be a monetary amount in the Commodity Currency) equal to the official level of the Commodity as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Commodity determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date.
 - (iii) in respect of Inflation Linked Certificates, the Relevant Level as defined in Condition 16(E) (*Inflation Index Certificates*);

“**Specified Maximum Days of Disruption**” means (other than with respect to Commodity Certificates) eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms;

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not or is deemed not to occur;

“**Valuation Date**” means, unless otherwise specified in the applicable Final Terms, the Valuation 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) where the Certificates are Index Certificates relating to a single Index, Share Certificates relating to a single Share, Debt Certificates relating to a single Debt Security or Commodity Certificates relating to a single Commodity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Day 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:
 - (x) in the case of Index Certificates, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with (subject to Condition 16(A)(2)) 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/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (y) in the case of Share Certificates or Debt Certificates, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
 - (z) in the case of Commodity Certificates, in accordance with the provisions of Conditions 16(D) (*Commodity Certificates*);
- (b) where the Certificates are Index Certificates relating to a basket of Indices, Share Certificates relating to a basket of Shares, Debt Certificates relating to a basket of Debt Securities or Commodity Certificates relating to a basket of Commodities, the Valuation Date for each Index, Share, Debt Security or Commodity, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, Debt Security or Commodity affected, as the case may be, (each an “**Affected Item**”) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Scheduled Trading Days equal in number 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 which, in the case of a Share, Debt Security or a Commodity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (x) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (y) in the case of a Share or Debt Security, its good faith estimate of the value for the Affected Item as of the Valuation Time on that eighth Scheduled Trading Day; or
- (z) in the case of Commodity Certificates, in accordance with the provisions of Condition 16(D) (*Commodity Certificates*);

and otherwise in accordance with the above provisions; and

“**Valuation Time**” means:-

- (i) the Relevant Time specified in the applicable Final Terms;
- (ii) in the case of Index Warrants relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (b) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor;
- (iii) in the case of Index Certificates relating to Indices other than Composite Indices or Share Certificates, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or 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 Valuation Time shall be such actual closing time.

5 Interest

(A) *Interest Amount*

If so specified in the applicable Final Terms, each Certificate pays interest from and including the Interest Commencement Date of the Certificates at the Interest Rate payable in arrear on each Interest Payment Date.

The amount of interest payable in respect of each Certificate on each Interest Payment Date will amount to the Interest Amount (as defined below) for the Interest Period (as defined below) ending on (but excluding) such Interest Payment Date.

If interest is required to be calculated for a period ending other than on (but excluding) an Interest Payment Date, it will be calculated on the basis of the number of days from and including the most recent Interest Payment Date (or, if none, the issue date of the Certificates) to but excluding the relevant payment date, and the relevant interest rate day count fraction as specified in the applicable Final Terms (the “**Interest Rate Day Count Fraction**”).

Such Interest Rate and/or Interest Amount may be a fixed nominal (“**Fixed Interest Certificates**”) or floating (“**Floating Rate Certificates**”) interest rate or it may be determined by reference to (“**Interest Indexed Certificates**”), and the application of such Interest Rate and/or the payment of such Interest Amount may be limited or affected by, the performance of an Index, a Share, a Debt Security, a Commodity, an Inflation Index or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms and, for avoidance of doubt, the provisions in these Terms and Conditions relating to such Index, Share, Debt Security, Commodity, Inflation Index or the other underlying security shall apply *mutatis mutandis* in the manner specified in the applicable Final Terms.

(B) Accrual of Interest

Unless otherwise provided in the applicable Final Terms, each Certificate will cease to accrue interest from and including its due date for redemption unless payment of the amount and/or delivery of any Entitlement due on redemption is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case interest shall continue to accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be. For the avoidance of doubt, no interest on the Certificates shall accrue beyond the Redemption Date (as defined below) in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

(C) Business Day Convention

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

(D) *Interest Rate on Floating Rate Certificates*

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

(x) ISDA Determination for Floating Rate Certificates

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

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(y) Screen Rate Determination for Floating Rate Certificates

Where Screen Rate Determination is specified in the applicable final terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Interest Rate shall be:
 - (a) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (b) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date;
- (ii) if the Page specified in the relevant Final Terms as a Primary Source permanently ceases to quote the Relevant Rate(s) but such quotation(s) is/are available from another page, section or other part of such information service selected by the Calculation Agent (the “**Replacement Page**”), the Replacement Page shall be substituted as the Primary Source for Interest Rate quotations and if no Replacement Page exists but such quotation(s) is/are available from a page, section or other part of a different information service selected by the Calculation Agent (the “**Secondary Replacement Page**”), the Secondary Replacement Page shall be substituted as the Primary Source for Interest Rate quotations;

- (iii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (i)(a) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(b) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (iv) if paragraph (iii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates then, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is euro, the euro-zone, (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall (unless otherwise specified) be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(E) *Margin, Maximum/Minimum Interest Rates, Rate Multipliers and Rounding*

- (i) If any Margin or Rate Multiplier is specified (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (iii) below by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Interest Rate is specified hereon, then any Interest Rate, shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency which is available as legal tender in the country or countries of such currency and with respect to the euro, means 0.01 euro.

(F) *Calculations*

The amount of interest payable in respect of any Certificate for any period shall be calculated by multiplying the product of the Interest Rate and the Notional Amount of such Certificate by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Certificate for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(G) *Determination and Publication of Interest Rates and Interest Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to obtain any quote or make any determination or calculation, it shall determine the Interest Rate and calculate the relevant Interest Amount in respect of each Certificate for the relevant Interest Accrual Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Agent and the Issuer, the Certificateholders, and, if the Certificates are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(B), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(H) *Definitions*

Unless otherwise provided in the applicable Final Terms:

“**Business Day**” means:

- (i) in the case of a specified currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/ or
- (iii) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency in the specified financial centre(s) or, if none is specified, generally in each of the Business Centres so specified.

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

- (i) if “**Actual/365**” or “**Actual/Actual-ISDA**” is specified in the applicable final terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/Actual-ISMA**” is specified in the applicable final terms,
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where

“**Determination Period**” means the period from, and including, a Determination Date in any year to, but excluding, the next Determination Date; and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

- (iii) if “**Actual/365 (Fixed)**” is specified in the applicable final terms, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is specified in the applicable final terms, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable final terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable final terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Redemption Date, the Redemption Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable final terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates. The Effective Date shall not be subject to adjustment in accordance with any Business Day Convention unless specifically provided in the relevant Final Terms.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Amount**” means the amount of interest payable.

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

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the applicable Final Terms.

“**Interest Determination Date**” means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the applicable final terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Business Days in London for the Relevant Currency prior to the first day of such Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

“**Interest Payment Date**” means, in respect of each Certificate, the dates specified in the applicable Final Terms for the payment of interest.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

“**Interest Rate**” means the rate of interest payable from time to time in respect of the Certificates and that is either specified or calculated in accordance with the provisions in the applicable final terms.

“**ISDA Definitions**” means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable final terms.

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (“**Reuters**”) and Telerate) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“**Reference Banks**” means the institutions specified as such in the applicable final terms or, if none, five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money,

swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone).

“**Relevant Currency**” means the currency specified as such in the applicable final terms or, if none is specified, the currency in which the Certificates are denominated.

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable final terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the euro-zone) or, if none is so connected, London.

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the applicable final terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and for the purpose of this definition, “**local time**” means, with respect to Europe and the euro-zone as a Relevant Financial Centre, Brussels time.

“**Representative Amount**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified as such in the applicable final terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“**Specified Duration**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the applicable final terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(B).

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

6 Redemption of Certificates

(A) General

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (ii) in the case of a Physical Delivery Certificate, subject as provided in Condition 7 below, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, as specified in the applicable Final Terms relating to such Certificate (the “**Redemption Date**”). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined Below), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 16 as specified in the applicable Final Terms.

(B) Issuer Call Option

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given:

- (i) except in the case of Certificates represented by Private Placement Definitive Certificates and Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 11 and, in the case of Certificates represented by Private Placement Definitive Certificates and Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, not less than 30 nor more than 45 days' notice to the Holders in accordance with Condition 11; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the relevant Certificate Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any date fixed for redemption as specified in the applicable Final Terms (an "**Optional Redemption Date**") and at an amount specified in, or determined in the manner specified in, the applicable Final Terms (the "**Optional Redemption Amount**") together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, DTC or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Certificate Agent will select the Certificates to be redeemed individually by lot, not more than 45 days prior to the date fixed for redemption, and give notice to Holders, in accordance with Condition 11, of the serial numbers of the Certificates to be redeemed not less than 15 days prior to the date fixed for redemption. Private Placement Definitive Certificates may only be redeemed in minimum amounts of U.S.\$250,000 or more, and the remaining unredeemed portion thereof must be at least U.S.\$250,000. So long as the Certificates are listed on the regulated market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of the Luxembourg Stock Exchange ("www.bourse.lu") a notice specifying the aggregate nominal amount of Certificates outstanding.

(C) Holder Put Option

If Holder Put Option is specified in the applicable Final Terms, upon the Holder of any Certificate giving to the Issuer not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as defined in the applicable Final Terms).

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must deliver at the specified office of the Registrar or, as the case may be, any Certificate Agent at any time during normal business hours of such Registrar or Certificate 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 Certificate Agent (a “**Put Notice**”) and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6 (C), accompanied by the Certificate or evidence satisfactory to the Registrar or the Certificate Agent concerned that the Certificate will, following delivery of the Put Notice, be held to its order or under its control in a manner reasonably satisfactory to the Registrar or the Certificate Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must, within the notice period, give notice to the Registrar or Certificate Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System or any common depositary for them to the Registrar or Certificate Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System from time to time and, if the Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the relevant Certificate Agent for notation accordingly. Any Put Notice given by a Holder of any Certificate pursuant to this Condition shall be irrevocable.

7 Payments and Physical Delivery

(A) Payments

Subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate by credit or transfer to the Holder’s account with the relevant Clearing System or the Definitive Certificate Agent, as the case may be, (in the case of English Law Certificates) or with the relevant Account Holder (in the case of French Law Certificates) for value on the Redemption Date less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Certificate Agent, as the case may be or Account Holder.

Where the Certificates pay interest, subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Holder’s account with the relevant Clearing System or in the case of Private Placement Definitive Certificates, the office of the Definitive Certificate Agent, as the case may be, for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System or the Definitive Certificate Agent, as the case may be.

The Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder, in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System or the Definitive Certificate Agent, as the case may be, (in the case of English Law Certificates) or whose name appears in the account of the relevant Account Holder (in the case of French Law Certificates) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder for his share of each such payment so made to, or to the order of, such Clearing System or the Definitive Certificate Agent, as the case may be or Account Holder.

In the case of Private Placement Definitive Certificates only, if a Holder has given wire transfer instructions to the Issuer and Definitive Certificate Agent, the Company will make all payments in accordance with those instructions.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(B) *Physical Delivery*

(1) Asset Transfer Notices

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Holder must (A) in the case of Global Certificates held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, deliver to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, or, as the case may be, the relevant Account Holder, not later than 10.00 a.m. (Local Time) on the date (the “**Cut-off Date**”) falling three Business Days prior to the Scheduled Valuation Date or, where there is more than one Scheduled Valuation Date, the first such Scheduled Valuation Date, (B) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, deliver to the New York Certificate Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date or (C) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Certificate Agent, not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, with a copy to the relevant Certificate Agent, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Agency Agreement in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Certificate Agent.

In the case of Global Certificates, an Asset Transfer Notice may only be delivered in such manner as is acceptable to the relevant Clearing System or, as the case may be, the relevant Account Holder, which is expected to be by authenticated SWIFT message or tested telex or, in the case of the New York Certificate Agent and in the case of the Definitive Certificate Agent, by facsimile.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (ii) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (iii) in the case of Global Certificates, specify the number of the Holder’s securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with such Certificates or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with such Certificates;
- (iv) (A) in the case of Global Certificates, irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit the relevant Holder’s securities account with the relevant Certificates or, in the case of Certificates represented

by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, irrevocably instruct the New York Certificate Agent to debit the relevant Holder's account with the relevant Certificates or (B) in the case of Private Placement Definitive Certificates, irrevocably instruct the Definitive Certificate Agent to remove from the Private Placement Register on or before the Redemption Date the Certificates which are subject of such notice;

- (v) (A) in the case of Global Certificates, include an undertaking to pay all Expenses and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to debit a specified account of the Holder with the relevant Clearing System or, as the case may be, the relevant Account Holder, in respect thereof and to pay such Expenses or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, an authority to the New York Certificate Agent to debit a specified account of the Holder and to pay such Expenses or (B) in the case of Private Placement Definitive Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Certificate Agent to deduct an amount in respect thereof from any amount due to such Holder and/or debit a specified account of the Holder in respect thereof;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (i) in the case of Certificates represented by a Global Certificate held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, specify the name and number of the Holder's account with the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, (ii) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the details of the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of BNPP electing to pay the Alternate Cash Amount, or (iii) in the case of Private Placement Definitive Certificates, specify the details of the account to be credited with any cash payable by BNPP either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement, or as a result of BNPP electing to pay the Alternate Cash Amount;
- (vii) with respect to Currency Certificates only, (A) in the case of Global Certificates other than a Rule 144A Global Certificate specify the number of the Holder's account to the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon redemption of the Certificates, (B) in the case of Currency Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon redemption of the Certificates, or (C) in the case of Private Placement

Definitive Certificates, specify the details of the account to be credited with the amount due upon redemption of the Certificates;

- (viii) certify, in the case of Global Certificates other than a Rule 144A Global Certificate, that the beneficial owner of each Certificate is not a U.S. person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and, where appropriate, including in the case of a Rule 144A Global Certificate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms;
- (ix) in the case of Private Placement Definitive Certificates, include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms
- (x) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If Condition 7(C) 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 relevant Clearing System or, as the case may be, the relevant Account Holder and the relevant Certificate Agent.

(2) Verification of the Holder

Upon receipt of an Asset Transfer Notice, the relevant Clearing System or, as the case may be, the relevant Account Holder shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof. The relevant Clearing System or, as the case may be, the relevant Account Holder will on or before the Delivery Date debit the securities account of the relevant Holder with the relevant Certificates.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, upon receipt of an Asset Transfer Notice, the New York Certificate Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the records of DTC. Subject thereto, the New York Certificate Agent will confirm the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the New York Certificate Agent will inform BNPP thereof. The New York Certificate Agent will, on or before the Delivery Date, debit the account of the relevant Holder with the relevant Certificates.

In the case of Private Placement Definitive Certificates, upon receipt of an Asset Transfer

Notice, the Definitive Certificate Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Certificate Agent will confirm the series number and number of Certificates the subject of such notice and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Definitive Certificate Agent will inform BNPP thereof. The Definitive Certificate Agent will, on or before the Delivery Date, update the Private Placement Register.

(3) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by (i) in the case of Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC), the relevant Clearing System or, as the case may be, the relevant Account Holder, (ii) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the New York Certificate Agent, or (iii) in the case of Private Placement Definitive Certificates, the Definitive Certificate Agent, in each case, in consultation with the Principal Certificate Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Certificate Agents and the relevant Holder. 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 Certificate Agent immediately after being delivered or sent to the relevant Clearing System or, as the case may be, the relevant Account Holder, the New York Certificate Agent or the Definitive Certificate Agent, as provided in paragraph (1) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System, the New York Certificate Agent or the Definitive Certificate Agent or, as the case may be, the relevant Account Holder in consultation with the Principal Certificate Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the relevant Clearing System or, as the case may be, the relevant Account Holder and the Principal Certificate Agent.

The relevant Clearing System, the New York Certificate Agent or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal Certificate Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Certificate Agents or the relevant Clearing System or, as the case may be, the relevant Account Holder shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the relevant Account Holder or the relevant Certificate Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this Condition, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Certificate Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Certificate Agent, as provided above on or prior to the Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Certificate Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Redemption Date and no liability in respect thereof shall attach to the Issuer or the Guarantor, if any.

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(4) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that, the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a Share Certificate 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 Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 7(B)(1).

For such period of time after 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 comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Guarantor, if any, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

(5) Settlement Disruption

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 Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Certificates (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 11 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For the purposes hereof:

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

“**Settlement Business Day**”, in respect of each Certificate, has the meaning specified in the applicable Final Terms relating to such certificate; and

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent or, if the proviso to Condition 3(B) applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 3(B) applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(6) Failure to Deliver due to Illiquidity

“Failure to deliver due to Illiquidity” if specified as applying in the applicable Final Terms, will be an Additional Disruption Event, as described in Condition 16(F) below.

(C) *Variation of Settlement*

- (i) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Certificates (which, unless otherwise specified, will not apply to U.S. Certificates), the Issuer may at its sole and unfettered discretion in respect of each such Certificate, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the

relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 11.

- (ii) If specified in the applicable Final Terms, the Issuer shall, in respect of each Certificate, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders.

(D) *Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*

Following a valid redemption of Certificates in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Certificates, 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 Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the “**Alternate Cash Amount**”). Notification of any such election will be given to Holders in accordance with Condition 11.

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.

(E) *Rights of Holders and Calculations*

None of the Issuer, the Guarantor, the Calculation Agent and the Certificate Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Certificates does not confer on any holder of such Certificates any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(F) *Prescription*

Claims against the Issuer or the Guarantor, if any, for payment of principal or interest in respect of the Certificates shall become void unless made within 60 months from the Redemption Date and no claims shall be made after such date.

8 **Illegality**

If the Issuer determines that the performance of its obligations under the Certificates has become illegal in whole or in part for any reason, the Issuer may, on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates.

If the Issuer redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, and except as may be limited in the case of U.S. Certificates pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the relevant Final Terms) as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

9 Purchases

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Certificates so purchased may be held or resold or surrendered for cancellation; provided, however, that Certificates so purchased may only be resold pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 144A, Regulation S or otherwise thereunder. In the case of BNPP, any Certificates so purchased will forthwith be cancelled and accordingly may not be re-issued or resold.

10 Certificate Agents, Determinations and Modifications

(A) Certificate Agents

The specified offices of each Certificate Agent is as set out at the end of these Terms and Conditions.

Each of the Issuer and the Guarantor, if any, reserves the right at any time to vary or terminate the appointment of any Certificate Agent and to appoint further or additional Certificate Agents, provided that no termination of appointment of the Agent shall become effective until a replacement Certificate Agent shall have been appointed and provided that, so long as any of the Certificates are listed on a stock exchange, there shall be an Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange. So long as any of the Certificates are Private Placement Definitive Certificates, there shall be a Definitive Certificate Agent, and so long as any of the Certificates are represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, there shall be a New York Certificate Agent. Notice of any termination of appointment and of any changes in the specified office of the Certificate Agent will be given to Holders in accordance with Condition 11. In acting under the Agency Agreement, the Certificate Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations made in respect of the Certificates by the Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

(B) Calculation Agent

In relation to each issue of Certificates, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage SNC or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Certificates by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be affiliate of the Issuers,

potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.²³

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(C) *Determinations by the Issuer and the Guarantor*

Any determination made by the Issuer or the Guarantor, if any, pursuant to these Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders.

(D) *Modifications*

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Holders in accordance with Condition 11 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

11 Notices

All notices to Holders shall be valid if (i) in the case of Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC), delivered to the relevant Clearing System (in the case of English Law Certificates) or the relevant Account Holder (in the case of French Law Certificates) for communication by them to the Holders, (ii) so long as the Certificates are listed on a stock exchange, in accordance with the rules and regulations of the relevant stock exchange, (iii) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, to DTC for communication by it to the Holders and any such notices shall be conclusively presumed to have been received by the Holders, or (iv) in the case of Certificates represented by Private Placement Definitive Certificates, mailed to their registered addresses appearing in the Private Placement Register. If the Certificates are listed and admitted to trading on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, notices shall be published in a daily newspaper with general circulation in Luxembourg which is expected to be the d'Wort or notices shall be made available on the website of the Luxembourg Stock Exchange ("www.bourse.lu"). Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

12 Expenses and Taxation

- (A) A holder of Certificates must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption of the Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of the Certificates ("**Expenses**") relating to such Certificates as provided above.
- (B) The Issuer 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 or enforcement of any Certificate and

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See "Risk Factors — Potential Conflicts of Interest" in this Base Prospectus for further information.

all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

13 Further Issues

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further Certificates so as to be consolidated with and form a single series with the outstanding Certificates.

14 Substitution of the Issuer or the Guarantor

- (A) Except in the case of U.S. Certificates, the Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the Certificates any company (the “**Substitute**”), being the Issuer or any other company, subject to:
- (i) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Certificates;
 - (ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Certificates represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;
 - (iii) the Substitute becoming party to the Agency Agreement, (unless the Substitute is a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
 - (iv) each stock exchange on which the Certificates are listed shall have confirmed that, following the proposed substitution of the Substitute, the Certificates will continue to be listed on such stock exchange;
 - (v) if appropriate, the Substitute shall have appointed a process agent as its agent in England (in the case of English Law Certificates) or France (in the case of French Law Certificates) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Certificates; and
 - (vi) the Issuer shall have given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with Condition 11.
- (B) Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Certificates any company (the “**Substitute Guarantor**”), being BNPP or any other company, subject to:
- (i) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined in the sole and absolute discretion of the Calculation Agent by reference to, *inter alia*, the long-term senior debt ratings (if any) assigned by Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc. and/or Moody’s Investors Service Limited and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
 - (ii) the Substitute Guarantor having entered into a guarantee (the “**Substitute Guarantee**”) in respect of the Certificates in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the

Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Certificates in place of BNPP (or of any previous substitute under this Condition);

- (iii) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Certificates remain outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Certificates, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (iv) each stock exchange on which the Certificates are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Certificates;
- (v) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Certificates) or France (in the case of French Law Certificates) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Certificates or the Substitute Guarantee; and
- (vi) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 11.

15 Governing Law

(A) *English Law Certificates*

The English Law Certificates, the English Law Agency Agreement and the English Law Guarantee are governed by and shall be construed in accordance with English law.

- (i) This Condition is for the benefit of the Holders of English Law Certificates only. Subject as provided below, the courts of England shall have exclusive jurisdiction to settle all disputes that may, directly or indirectly, arise out of or in connection with the English Law Certificates and the English Law Guarantee and consequently each of the Issuer and the Guarantor submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereafter termed the “**Proceedings**”) relating to any such dispute. Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this condition shall limit the right of the Holders to take any Proceedings against the Issuer and/or the BNPP B.V. Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.
- (ii) Each of the Issuer and the Guarantor hereby appoints BNP Paribas, London branch at its registered office at 10 Harewood Avenue, London NW1 6AA, as its or their agent in England to receive service of process in any Proceedings in England relating to the English Law Certificates and the English Law Guarantee, as the case may be. If for any reason such process agent ceases to act as such or no longer has an address in England, each of the Issuer and the BNPP B.V. Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Certificates of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

(B) *French Law Certificates*

The French Law Certificates, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with French law, and any action or proceeding in relation thereto (“**Proceedings**”) shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (*Cour d’Appel de Paris*). Nothing in this condition shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

16 Terms for Index Certificates, Share Certificates, Debt Certificates, Commodity Certificates and Inflation Index Certificates

(A) *Index Certificates*

(a) For the purposes of this Condition 16(A):

“**Basket**” means the basket comprising the Indices;

“**Composite Index**” means any Index specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

“**Component**” means each and any component security/commodity of any Index;

“**Early Closure**” means:-

- (i) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component 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
- (ii) in the case of an Index, which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“**Exchange 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, Exchange Business Day (All Indices Basis) or 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 in respect of a Basket of Indices, any Scheduled Trading Day on which (A) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, is (are) open for trading during its (their respective) regular trading session(s) in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing

prior to its (their) Scheduled Closing Time and (B) in respect of any Composite Indices comprised in the Basket, (i) the Index Sponsor publishes the level of such Composite Indices and (ii) each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

“Exchange Business Day (Per Index Basis)” means, in respect of a Basket of Indices, any Scheduled Trading Day on which (A) in respect of any Indices other than Composite Indices, the relevant Exchange and the relevant Related Exchange, if any, in respect of an Index is (are) open for trading during its (their respective) regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time and (B) in respect of any Composite Indices comprised in the Basket, (i) the relevant Index Sponsor publishes the Level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

“Exchange Business Day (Single Index Basis)” means, in respect of a single Index, any Scheduled Trading Day on which (A) in respect of any Index other than a Composite Index the relevant Exchange and the relevant Related Exchange, if any, is (are) open for trading during its (their respective) regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time and (B) in respect of any Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

“Exchange Disruption” means:-

- (i) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (A) any Component on the Exchange in respect of such Component; or (B) in futures or options contracts relating to such Index on the Related Exchange; and
- (ii) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (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;

“Indices” and **“Index”** mean, subject to adjustment in accordance with this Condition 16(A), the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly; and

“Index Sponsor” means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the issue date of the Certificates is the index sponsor specified for such Index in the applicable Final Terms.

“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, Scheduled Trading Day (All Indices Basis) or 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, Exchange Business Day (All Indices Basis) shall apply;

“**Scheduled Trading Day (All Indices Basis)**” means in respect of a Basket of Indices, any day on which (A) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, is (are) scheduled to be open for trading during its (their respective) regular trading session(s) in respect of such Indices, and (B) in respect of any Composite Indices comprised in the Basket, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Indices;

“**Scheduled Trading Day (Per Index Basis)**” means, in respect of a Basket of Indices, any day on which (A) in respect of any Indices other than Composite Indices, the relevant Exchange and the relevant Related Exchange, if any, in respect of an Index is (are) scheduled to be open for trading during its (their respective) regular trading session(s) and (B) in respect of any Composite Indices comprised in the Basket, (i) the relevant Index Sponsor is scheduled to publish the level of such Index and (ii) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

“**Scheduled Trading Day (Single Index Basis)**” means, in respect of a single Index, any day on which (A) in respect of any Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, is (are) scheduled to be open for trading during its (their respective) regular trading session(s), and (B) in respect of any Composite Index (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (ii) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

“**Trading Disruption**” means:-

- (i) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (A) relating to any Component on the Exchange in respect of such Component; or (B) in futures or options contracts relating to such Index on the Related Exchange; and
- (ii) 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 on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or in futures or options contracts relating to the relevant Index on any relevant Related Exchange;

(b)

(1) Market Disruption

“**Market Disruption Event**” means, in relation to Certificates relating to a single Index or basket of Indices, in respect of an Index:

(x) in respect of a Composite Index

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

- (1) a Trading Disruption in respect of such Component, 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 is principally traded;

- (2) an Exchange Disruption in respect of such Component, 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 is principally traded; or
 - (3) an Early Closure in respect of such Component; and
- (b) the aggregate of all Components 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 at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market “opening data”; and

(y) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that 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 (i) the portion of the level of such Index attributable to that security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 11 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, an Observation Date or a Valuation Date.

(2) Adjustments to an Index

(a) Successor Inflation Index Sponsor Calculates and Reports an Index

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, 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 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 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 a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Calculation, each an “**Index Adjustment Event**”), then except as may be limited in the case of U.S. Certificates,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Certificates 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, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) on giving notice to Holders in accordance with Condition 11, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

(c) Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Certificate Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and such Certificate Agent shall make available for inspection by Holders 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 of a Cash Settlement Amount and/or Interest Amount, if the Index published on a given day and used or to be used by the Calculation Agent to determine any Cash Settlement Amount and/or Interest Amount, is subsequently corrected and the correction published by the relevant Index Sponsor within 30 days 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 the relevant Redemption Date or, as

the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount and/or Interest Amount.

(4) Knock-in Event and Knock-out Event

If “**Knock-in Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Certificates (as specified in the applicable Final Terms) and/or payment under the relevant Certificates subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If “**Knock-out Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Certificates (as specified in the applicable Final Terms) and/or payment under the relevant Certificates subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

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 and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

Definitions:

Unless otherwise specified in the applicable Final Terms:

“**Knock-in Event**” means (unless otherwise specified in the applicable Final Terms) (A) in the case 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 (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant Weighting is and for both (A) and (B) as specified in the applicable Final Terms, (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-in Level.

“**Knock-in Level**” means (A) in the case of a single Index, the level of the Index specified and (B) in case of a basket of Indices, the level per Basket specified and for both (A) and (B) 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 Condition (b)(1) Market Disruption and Condition (b)(2) Adjustments to an Index above.

“**Knock-in Determination Day**” means, in the case of a single Index and in the case of a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of “Market

Disruption” set out in the conditions above. For the purposes of such conditions, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out below shall apply. 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 “Knock-in Determination Day”.

“**Knock-in Determination Period**” means, unless otherwise specified in the applicable Final Terms, in respect of a single Index or a basket of Indices 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 Period Beginning Date**” means, in respect of a single Index or a basket of Indices, 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, in respect of a single Index or a basket of Indices, 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, in respect of a single Index or a basket of Indices, 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 Event**” means (unless otherwise specified in the applicable Final Terms) (A) in the case 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 (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant Weighting is, and for both (A) and (B) as specified in the applicable Final Terms, (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-out Level.

“**Knock-out Level**” means, in the case of a single Index the level of the Index specified and in the case of a Basket of Indices, the level per basket 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 Condition (b)(1) Market Disruption and Condition (b)(2) Adjustments to an Index above.

“**Knock-out Determination Day**” means in respect of a single Index and in relation to a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of “Market Disruption” set out in the conditions above. For the purposes of such conditions, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out below shall apply. 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 “Knock-out Determination Day”;

“**Knock-out Determination Period**” means, unless otherwise specified in the applicable Final Terms, in respect of a single Index or a basket of Indices, 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 Period Beginning Date**” means, in respect of a single Index or a basket of Indices, 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, in respect of a single Index or a basket of Indices, 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, in respect of a single Index or a basket of Indices, 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 Event for Index Linked

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 Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount in the Relevant Currency specified in the applicable Final Terms equal to the relevant Automatic Early Redemption Amount.

Definitions:

“**Automatic Early Redemption Amount**” means (a) an amount in the Relevant Currency specified in the applicable Final Terms specified as such in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Certificate and (ii) 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 (unless otherwise specified in the applicable Final Terms) that (x) in the case of a single Index, the Index Level and (y) in the case of Basket of Indices the Basket Prices is, as specified in the applicable Final Terms, (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Automatic Early Redemption Level.

“**Automatic Early Redemption Level**” means (unless otherwise specified in the applicable Final Terms) the level of the Index or of the Basket of Indices specified as such or otherwise

determined in the applicable Final Terms, subject to “Adjustment to the Index” set forth in Condition (b)(1) Market 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.

“**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 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 “Automatic Early Redemption Valuation Date”.

“**Basket Price**” means (unless otherwise specified in the applicable Final Terms), in respect of any Automatic Early Redemption Valuation Date, (i) an amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product of its Index Level of such Indexes on such Early Redemption and (ii) the relevant Weighting.

“**Index Level**” means, in respect of any Automatic Early Redemption Valuation Date, the level of the Index as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

(B) *Share Certificates*

(a) For the purposes of this Condition 16(B):

“**Basket**” means the basket comprising the Shares;

“**Basket Company**” means a company whose shares are included in the Basket of Shares and “**Basket Companies**” means all such companies;

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

“**Exchange 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, Exchange Business Day (All Shares Basis) or Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

“**Exchange Business Day (All Shares Basis)**” means in respect of a Basket of Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, is (are) open for trading during its (their respective) regular trading session(s) in respect of such Shares comprised in the Basket, notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time;

“**Exchange Business Day (Per Share Basis)**” means, in respect of a Basket of Shares, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of a

Share is (are) open for trading during its (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 Share Basis)” means, in respect of a single Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, is (are) open for trading during its (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 any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Share on the Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange;

“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, Scheduled Trading Day (All Shares Basis) or 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, it shall be the Exchange Business Day (Per Share Basis);

“Scheduled Trading Day (All Shares Basis)” means in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange, if any is (are) scheduled to be open for trading during its (their respective) regular trading session(s) in respect of such Shares;

“Scheduled Trading Day (Per Share Basis)” means, in respect of a Basket of Shares, any day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of a Share is (are) scheduled to be open for trading during its (their respective) regular trading session(s);

“Scheduled Trading Day (Single Share Basis)” means, in respect of a single Share, any day on which the relevant Exchange and the relevant Related Exchange, if any, is (are) scheduled to be open for trading during its (their respective) regular trading session(s);

“Shares” and **“Share”** mean, subject to adjustment in accordance with this Condition 16(B), in the case of an issue of Certificates relating to a Basket of Shares, each share and, in the case of an issue of Certificates relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly; and

“Share Company” means, in the case of an issue of Certificates relating to a single Share, the company that has issued such share.

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (A) relating to the Share on the Exchange; or (B) in futures or options contracts relating to the Share on any relevant Related Exchange; or

(b)

(1) Market Disruption

“Market Disruption Event” means, in relation to Certificates 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 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 Condition 11 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, a Valuation Date, or an Observation Date.

- (2) Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency

“**Potential Adjustment Event**” means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing Holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing Holders of the relevant Shares of (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 certificates or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, 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
- (g) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Except as may be limited in the case of U.S. Certificates, 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 Multiplier 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 Holders in accordance with Condition 11, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Multiplier 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.

“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 an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

“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.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“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 Merger Date is on or before (a) in the case of Cash Settled Certificates, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Certificate or (b) in the case of Physical Delivery Certificates, the relevant Redemption Date.

“**Nationalisation**” means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii), (iv) or, in the case of Certificates relating to a basket of Shares only, (v) below (except as may be limited in the case of U.S. Certificates):

- (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 and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, 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 Certificates. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange (in addition, such adjustment may be made in accordance with the provisions of sub-paragraph (v) below; or
- (ii) in the case of Share Certificates relating to a basket of Shares redeem the Certificates in part by giving notice to Holders in accordance with Condition 11. If the Certificates are so redeemed in part the portion (the “**Redeemed Amount**”) of each Certificate representing the affected Share(s) shall be redeemed and the Issuer will (i) pay to each Holder in respect of each Certificate held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the

Multiplier 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 Certificate 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 Holders in accordance with Condition 11;

- (iii) on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 11; or
- (iv) 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 and/or the Multiplier 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 and/or the Multiplier 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 Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, 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.
- (v) On or after the relevant Merger Date, Tender Offer Date or the date of the Nationalisation, Insolvency or Delisting (as the case may be), the Calculation Agent will adjust the Basket 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 such Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting and the Substitute Share and its issuer will be deemed a “Share” and a “**Share Company**” and “**Basket Company**” for the purposes of the Certificates, respectively, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier 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 (for the avoidance of doubt) the Exercise Price of each Substitute Share will be determined in accordance with the following formula:

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

where:

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

“B” is the Exercise 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 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 in sub-paragraph (c) below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalisation, Insolvency or Delisting (as the case may be).

The weighting of each Substitute Share in the Basket 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;
2. belongs to a similar economic sector as the Affected Share; and
3. is of comparable market capitalisation, international standing and exposure as the Affected Share.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 11 stating the occurrence of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto including, in the case of Substitute Shares, 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 of a Cash Settlement Amount and/or Interest Amount, if the price of relevant Share published on a given day and used or to be used by the Calculation Agent to determine any Cash Settlement Amount and/or Interest Amount, is subsequently corrected and the correction published by the relevant Exchange or Related Exchange, as the case may be, within 30 days 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 the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount and/or Interest Amount.

(4) Knock-in Event and Knock-out Event

If “**Knock-in Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Certificates (as specified in the applicable Final Terms) and/or payment and/or delivery under the relevant Certificates subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If “**Knock-out Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Certificates, as specified in the applicable Final Terms, and/or payment and/or delivery under the relevant Certificates subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

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 and/or ends at the time on which the price of the Share triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

Definitions:

Unless otherwise specified in the applicable Final Terms:

“**Knock-in Event**” means (unless otherwise specified in the applicable Final Terms) (A) in case 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 (B) in case of a share Basket, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) 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 (ii) the relevant Number of Shares comprised in the Basket is as specified in the applicable Final Terms, and for both (A) and (B) (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-in Price.

“**Knock-in Price**” means, (A) in case of a single Share, the price per Share and (B) in the case of a Basket, the price per Basket and for both (A) and (B) 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 Condition (b)(1) Market Disruption above and as set forth in Condition (b)(2) Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency above.

“**Knock-in Determination Day**” means in the case of a single Share and in the case of a basket of Shares, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of “Market Disruption” set out in the conditions above. For the purposes of such conditions, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out below shall apply. 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 “Knock-in Determination Day”.

“Knock-in Determination Period” means, unless otherwise specified in the applicable Final Terms, 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 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 Event” means (unless otherwise specified in the applicable Final Terms), in case 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 in the case of a share Basket, the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) 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 (ii) the relevant Number of Shares comprised in the Basket is , and for both (A) and (B) as specified in the applicable Final Terms, (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-out Price.

“Knock-out Price” means, in the case of a single Share, the price per Share or in the case of a Basket, the price of the Basket, and for both (A) and (B) 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 (b)(1) Market Disruption above and set forth (b)(2) Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency above.

“Knock-out Determination Day” means. in the case of a single Share and in the case of a basket of Shares, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of “Market Disruption” set out in the conditions above. For the purposes of such conditions, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out below shall apply. 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 “Knock-out Determination Day”;

“**Knock-out Determination Period**” means, unless otherwise specified in the applicable Final Terms, 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 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) Automatic Early Redemption

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 Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

Definitions:

“**Automatic Early Redemption Amount**” means (a) an amount in the Relevant Currency specified in the applicable Final Terms specified as such in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Certificate and (ii) 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 (unless otherwise specified in the applicable Final Terms) that (x) in the case of a Single Share, the Share Price on (y) in the case of a Basket of Shares, the Basket Price is, as specified in the applicable Final Terms, (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Automatic Early Redemption Price.

“**Automatic Early Redemption Price**” means the price per Share 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 Condition (b)(2) Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency 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 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 “Automatic Early Redemption Valuation Date”.

“**Basket Price**” means, unless otherwise specified in the applicable Final Terms, in respect of any Automatic Early Redemption Valuation Date, an amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) the Relevant Price of such Share on such Automatic Early Redemption Valuation Date and (ii) the relevant Number of Shares comprised in the Basket

“**Share Price**” means, in respect of any Automatic Early Redemption Valuation Date, the price per Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

(C) *Debt Certificates*

(a) Market Disruption

“**Market Disruption Event**” shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 11 that a Market Disruption Event has occurred.

(b) **Correction of Debt Security 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 of a Cash Settlement Amount and/or Interest Amount, if the price of the relevant Debt Security published on a given day and used or to be used by the Calculation Agent to determine any Cash Settlement Amount and/or Interest Amount, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount and/or Interest Amount.

(D) *Commodity Certificates*

(a) For the purpose of this Condition 16 (D):

“**Commodity**” means, subject to adjustment in accordance with this Condition 16(D), 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;

“**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 each Exchange is open for trading during their respective 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, in the case of Commodities, 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. 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 Reference Price**” means, in respect of any Commodity as at any time, the relevant settlement price for delivery of such Commodity as at such time as specified in the applicable Final Terms;

“**Disappearance of Commodity Reference Price**” means (A) the permanent discontinuation of trading, in the relevant Commodity on the relevant Exchange or (B) the disappearance of, or of trading in, the relevant Commodity 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 Commodity;

“**Exchange**” means, in relation to a Commodity, each exchange, or principal trading market or quotation system for such Commodity in the applicable Final Terms, any successor to such exchange or principal trading market or any substitute exchange or principal trading market to which trading in the Commodity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Commodity on such temporary substitute exchange or trading market as on the original Exchange);

“**Material Change in Formula**” means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

“**Material Change in Content**” means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity;

“**Price Source**” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Price (or prices from which the Relevant 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 Relevant Price (or the information necessary for determining the Relevant 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, such date(s) being subject to the provisions of Commodity Business Day;

“**Reference Dealers**” means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

“**Relevant Price**” means, in respect of any Commodity, the price of such Commodity calculated in accordance with the relevant Commodity Reference Price definition as set out in the applicable Final Terms;

“**Specified Maximum Days of Disruption**” means eight (8) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

“**Scheduled Trading Day**”, as referred to in “Averaging Date” in Condition 4 or elsewhere in these Conditions with respect to Commodity Certificates, means Commodity Business Day;

“**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 (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Issue 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;

“**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity 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 Commodity on any Commodity Business Day shall be deemed to be material only if:
 - (1) all trading in the Commodity is suspended for the entire Pricing Date; or
 - (2) all trading in the 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 Commodity 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 Commodity 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 Commodity may fluctuate and the closing or settlement price of the relevant Commodity on such day is at the upper or lower limit of that range,

“**Valuation Date**”, as defined in Condition 4 and as referred to in “Averaging Date”, “Settlement Date” or elsewhere in the Conditions with respect to Commodity Certificates, means Pricing Date.

(b)

1 Market Disruption

“**Market Disruption Event**” means, in respect of a relevant Commodity and as determined by the Calculation Agent, the occurrence or existence of a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price, Material Change in Formula, Material Change in Content and/or Tax Disruption.

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 Disruption Fallbacks

“**Disruption Fallback**” means a source or method specified in the applicable Final Terms as giving rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price or the redemption of the Certificates 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).

2.1 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, and no Successor Commodity Price (as defined and described in sub-paragraph 3.1 below) is available, then

- (i) the Calculation Agent shall determine if such event has a material effect on the Certificates and, if so, shall calculate the relevant Interest Amount or, as the case may be, Redemption Amount using, in lieu of a published price for that Commodity, the price for that Commodity 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) on giving notice to holders in accordance with Condition 11, the Issuer shall redeem all but not some only of the Certificates, 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, as shall be notified to the holders in accordance with Condition 11.

2.2 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 Certificates and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Certificates or, if it determines that such adjustments cannot be made, (ii) on giving notice to holders in accordance with Condition 12, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a 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, as shall be notified to the Holders in accordance with Condition 12.

2.3 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 and no Successor Commodity Price is available in respect of such Pricing Date, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Commodity Reference Price.

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

3 Adjustments to a Commodity Reference Price

3.1 Successor Entity Calculates and Reports a Commodity Price

If in respect of a relevant Pricing Date either a Commodity Reference Price is (i) not calculated and announced by the Exchange but is calculated and announced by a successor entity acceptable to the Calculation Agent, or (ii) replaced by a successor commodity price calculated using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Price, then in each case such price as so calculated (the “**Successor Commodity Price**”) will be deemed to be the Commodity Reference Price.

3.2 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 of a Redemption Amount and/or Interest Amount, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to determine any Redemption Amount and/or Interest Amount is subsequently corrected and the correction published by the relevant Exchange within 30 calendar days (or 90 calendar days in the case of any weather index Commodities) 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 the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Redemption Amount and/or Interest Amount.

(E) *Inflation Index Certificates*

(a) For the purpose of this Condition 16(E):

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

“**Delayed Index Level Event**” means, in respect of any Interest Payment Date or Redemption Date, that the Index Sponsor fails to publish or announce the Relevant Level.

“**Fallback Bond**” means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Redemption Date, (b) the next longest maturity after the Redemption Date if there is no such bond maturing on the Redemption Date, or (c) the next shortest maturity before the Redemption Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or 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).

“**Inflation Index**” or “**Inflation Indices**” means, subject to adjustment in accordance with this Condition 16(E), the inflation index or inflation indices specified in the relevant Final Terms and related expressions shall be construed accordingly.

“**Index Cancellation**” means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Inflation 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 Inflation Index or in any other way materially modifies the Inflation Index.

“**Index Sponsor**” means, in relation to an Inflation Index, either (x) the index sponsor specified in the applicable Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Inflation Index and (b) announces (directly or through an agent) the level of such Inflation Index or (y) such person other acceptable to the Calculation Agent who calculates and announces such Inflation Index or any agent or person acting on behalf of such person.

“**Rebased Index**” has the meaning given to it under sub-paragraph (3) “Adjustments” below.

“**Reference Month**” means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported.

“**Related Bond**” means, if specified as applicable in the relevant Final Terms, 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 Redemption 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 Redemption Date, (i) the Related Bond is redeemed, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

“**Relevant Level**” means, in respect of any Interest Payment Date or Redemption Date, the level of the Inflation Index, in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Interest Payment Date or Settlement Date, at any time on or prior to the Cut-Off Date. “**Successor Inflation Index**” has the meaning given to it under sub-paragraph (3) “Adjustments” below.

“**Substitute Inflation Index Level**” means, in respect of a Delayed Index Level Event, the Index Level determined by the Issuer in accordance with sub-paragraph (1) “Delay in Publication” below.

(1) Delay in Publication

If the Calculation Agent determines that, in relation to Certificates relating to a single Inflation Index or a basket of Indices, a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Interest Payment Date or Settlement 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 Interest Payment Date or Settlement Date (the “**Substitute Inflation Index Level**”) shall be determined by the Calculation Agent (subject to sub-paragraph (3)(ii) “Adjustments-Substitute Inflation Index Level” 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 (I) Related Bond is specified as not applicable in the relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (i) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

$$\text{Substitute Inflation Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level});$$

or

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

where:

“**Base Level**” means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined.

“**Latest Level**” means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined.

“**Reference Level**” means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to the holders of the Inflation Index Certificates in accordance with Condition 11 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 Condition 1 will be the definitive level for that Reference Month.

(2) Successor Inflation Index

If, in relation to Certificates relating to a single Inflation Index or a basket of Indices, the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the

Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a Successor Inflation Index (a “**Successor Inflation Index**”) (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Index Certificates as follows:

- (i) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a “Successor Inflation Index” by reference to the corresponding Successor Inflation Index determined under the terms and conditions of the Related Bond;
- (ii) if (I) Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a “Successor Inflation Index”;;
- (iii) If no Successor Inflation Index has been deemed under (i) or (ii) or if fewer than three responses are received under (iii) above by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a “Successor Inflation Index”; or
- (iv) if the Calculation Agent determines that there is no appropriate alternative index, there will be deemed to be no Successor Inflation Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Inflation Index for the purposes of the Inflation Index Certificates. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to holders of the Inflation Index Certificates by the Issuer in accordance with Condition 11.

(3) Adjustments

(i) Successor Inflation Index

If a Successor Inflation Index is determined in accordance with sub-paragraph (2) “Successor Inflation Index” above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the final Redemption Amount, interest payable under the Inflation Index Certificates (if any) and/or any other relevant term of the Inflation Index Certificates as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Inflation Index Certificates of any such adjustment in accordance with Condition 11.

(ii) Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with sub-paragraph (1) “Delay in Publication” above, the Issuer may make any adjustment or adjustments (without limitation) to (I) the Substitute Inflation Index Level determined in accordance with sub-paragraph (1) “Delay in Publication” and/or (II) the final Redemption Amount, interest payable under the Inflation Index Certificates (if any)

and/or any other relevant term of the Inflation Index Certificates, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Inflation Index Certificates of any such adjustment in accordance with Condition 11.

(iii) Index Level Adjustment Correction

- (I) 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 sub-paragraph (3)(ix)(II) “Adjustments - Index Modification” below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Interest Payment Date or Settlement Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the holders of the Inflation Index Certificates of any valid revision in accordance with Condition 11.
- (II) If, within thirty days of publication or at any time prior to a Interest Payment Date or Settlement Date in respect of which an Relevant Level will be used in any calculation or determination in respect of such Interest Payment Date or Settlement 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 the final Redemption Amount, interest payable under the Inflation Index Certificates (if any) and/or any other relevant term of the Inflation Index Certificates as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the holders of the Inflation Index Certificates of any such adjustment and/or amount in accordance with Condition 11.
- (III) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Interest Payment Date or Settlement 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 Inflation Index Certificates and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) make any adjustment to the final Redemption Amount, interest payable under the Inflation Index Certificates (if any) and/or any other relevant term of the Inflation Index Certificates as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the holders of the Inflation Index Certificates of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 11.

(iv) Currency

If the Calculation Agent determines that any event occurs affecting the Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, and/or any other relevant term of the Inflation Index Certificates (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the final Redemption Amount, Strike Price and/or any other relevant term of the Inflation Index Certificates as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Inflation Index Certificates of any such adjustment in accordance with Condition 11.

(v) Rebasing

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (A) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to the final Redemption Amount, interest payable under the Inflation Index Certificates (if any) and/or any other term of the Inflation Index Certificates as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Issuer may redeem each Inflation Certificate on a date notified by the Issuer to Holders in accordance with Condition 11 at its fair economic value as determined by the Calculation Agent (unless otherwise provided in the relevant Final Terms) 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 (unless provided for otherwise in the relevant Final Terms). Notice of any adjustment, redemption of the Inflation Index Certificates or determination pursuant to this paragraph shall be given to Holders in accordance with Condition 11.

(vi) Index Modification

- (I) If, in relation to Certificates relating to a single Inflation Index or a basket of Inflation Indices, on or prior to the Cut-Off Date in respect of any Interest Payment Date or Settlement 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 Inflation Index, any Relevant Level and/or any other relevant term of the Inflation Index Certificates (including, without limitation, the final Redemption Amount and/or interest payable under the Inflation Index Certificates (if any)), 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 Inflation Index, any Relevant Level and/or any other term of the Inflation Index Certificates (including, without limitation, the Final Redemption Amount and/or interest payable under the Inflation Index Certificates (if any)), as the Calculation Agent deems necessary for the modified Inflation Index to continue as the Inflation Index and to account for the economic effect of the Index Modification.

- (II) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Interest Payment Date or Settlement 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 Interest Payment Date or Settlement Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Interest Payment Date or Settlement 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) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may:

- (I) elect for the Calculation Agent to calculate the relevant Settlement Price using, in lieu of a published level for that Inflation Index, the level for that Inflation Index as on the Valuation Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Inflation Index last in effect prior to cancellation;
- (II) redeem each Inflation Certificate on the date notified by the Issuer to Holders in accordance with Condition 11 at its fair economic 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 (unless provided for otherwise in the relevant Final Terms). Notice of any redemption of the Inflation Index Certificates pursuant to this paragraph shall be given to Holders in accordance with Condition 11.

(F) *Additional Disruption Events*

Unless otherwise specified in the applicable Final Terms, the Additional Disruption Events shall not apply to any U.S. Certificates.

- (a) “**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, Loss of Stock Borrow and/or Failure to deliver due to Illiquidity, in each case if specified in the applicable Final Terms.

“**Change in Law**” means that, on or after the Issue Date or, as the case may be, 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 (X) it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share

Certificates) or any relevant security/commodity comprised in an Index (in the case of Index Certificates) or (Y) it will incur a materially increased cost in performing its obligations in relation to the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

If “Failure to Deliver due to Illiquidity” means, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 16(F)(a) and the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Warrants (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 11 that the provisions of this Condition 16(F)(a) apply.

For the purposes hereof:

“**Failure to Deliver Settlement Price**” in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Certificates, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Hedging Shares**” means the number of Shares (in the case of Share Certificates) or securities/commodities comprised in an Index (in the case of Index Certificates) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Certificates.

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Certificates, 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 and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Increased Cost of Stock Borrow” means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share (in the case of Share Certificates) or any security/commodity comprised in an Index (in the case of Index Certificates) that is greater than the Initial Stock Loan Rate.

“Initial Stock Loan Rate” means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the initial stock loan rate specified in relation to such Share, security or commodity in the applicable Final Terms.

“Insolvency Filing” means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a 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 the case of Share Certificates) or any securities/commodities comprised in an Index (in the case of Index Certificates) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

“Maximum Stock Loan Rate” means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the Maximum Stock Loan Rate specified in the applicable Final Terms.

- (b) If an Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) 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 and/or the Multiplier 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) on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 11.
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 11 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

17 Adjustments for European Monetary Union

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 11:

- (i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Certificates shall be redenominated in euro;

The election will have effect as follows:

- (A) where the Settlement Currency of the Certificates is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Certificates will be made solely in euro as though references in the Certificates to the Settlement Currency were to euro;
 - (B) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
 - (C) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or
- (ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Settlement Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Settlement Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Certificate Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses

in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

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

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**Established Rate**” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(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;

“**National Currency Unit**” means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

“**Treaty**” means the treaty establishing the European Community, as amended.

18 Contracts (Rights of Third Parties) Act 1999

The English Law Certificates do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such Certificates but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

NOTA DI SINTESI

La presente nota di sintesi deve essere letta come un'introduzione al presente Prospetto di Base. La decisione di investire nei Titoli dovrebbe basarsi sulla valutazione del presente Prospetto di Base unitariamente considerato, inclusi i documenti incorporati tramite rinvio. Gli emittenti potranno incorrere in responsabilità civile rispetto alla presente nota di sintesi, nel caso in cui sia fuorviante, impreciso o incoerente rispetto alle altre sezioni del presente Prospetto di Base. Nel caso in cui sia avviata un'azione legale in relazione alle informazioni contenute nel presente Prospetto di Base dinanzi all'autorità giudiziaria di uno stato membro dell'Area Economica Europea (uno "Stato dell'AEE"), alla parte attrice potrebbe essere richiesto, ai sensi dell'ordinamento giuridico nazionale dello Stato dell'AEE ove l'azione legale sia stata avviata, di sostenere i costi di traduzione del presente Prospetto di Base prima dell'inizio dei relativi procedimenti legali.

I termini e le espressioni definiti nella sezione "Fattori di rischio", nelle Condizioni applicabili e nelle Condizioni Definitive avranno il medesimo significato nella presente nota di sintesi.

Emittenti	BNP Paribas Arbitrage Issuance B.V. ("BNPP B.V.") BNP Paribas ("BNPP")
Garante	BNP Paribas
Descrizione di BNPP B.V.	BNPP B.V. è una società a responsabilità limitata ai sensi del diritto olandese. Il suo oggetto sociale comprende, tra le altre cose: <ul style="list-style-type: none">(i) prendere o dare in prestito o raccogliere somme di denaro, compresa, a titolo esemplificativo, l'emissione di titoli di debito, di warrants di acquisto di azioni, di certificati di debito e altri titoli o strumenti di debito, emettere ed acquistare strumenti finanziari di qualsiasi natura e stipulare i relativi accordi; e(ii) intraprendere attività industriali, commerciali e finanziarie di qualsiasi natura, e tutte le altre azioni considerate incidentali o funzionali rispetto alla realizzazione del proprio oggetto sociale.
Descrizione di BNPP	Il Gruppo rappresenta uno dei principali protagonisti mondiali nella prestazione di servizi finanziari, in quanto svolge attività di retail, corporate e investment banking, private banking, gestione patrimoniale, assicurazione, attività specializzate e altre attività finanziarie in tutto il mondo. <p>Al 31 dicembre 2004, il Gruppo aveva attività consolidate pari a 905,9 miliardi di Euro e il capitale sociale (azioni del Gruppo compreso l'utile per l'esercizio 2004) ammontava a 30,2 miliardi di Euro.</p> Le Banca attualmente presenta un rating del debito a lungo termine non subordinato pari ad "Aa2" con orientamento (outlook) stabile da parte di Moody's, "AA" con orientamento (outlook) stabile da parte di Standard and Poor's e "AA" con

outlook stabile da parte di Fitch Ratings. Moody's ha inoltre assegnato alla Banca un rating di Forza Finanziaria pari a "B+" and Fitch Ratings ha assegnato alla Banca un rating individuale pari a "A/B".

Descrizione del Programma

Programma di Warrant e Certificati.

Fattori di Rischio (Emittenti)

Vi sono determinati fattori che potrebbero incidere sulla capacità di ciascun Emittente di adempiere le proprie obbligazioni legate ai Titoli emessi in base al Programma. Tali fattori comprendono i seguenti fattori di rischio legati alla Banca, alla sua operatività e al relativo settore di attività:

- (i) Quattro principali categorie di rischi riguardano le attività della Banca:
 - Rischio di Credito;
 - Rischio di Mercato e di Liquidità;
 - Rischio Operativo; e
 - Rischio Assicurativo.
- (ii) Condizioni economiche o di mercato avverse potrebbero causare una diminuzione nell'utile netto bancario o nella redditività.
- (iii) La Banca potrebbe subire perdite significative nelle proprie attività di negoziazione e investimento a causa delle fluttuazioni e della volatilità di mercato.
- (iv) La Banca potrebbe generare minori ricavi dall'attività di intermediazione e da altre attività basate su commissioni durante le crisi di mercato.
- (v) Ribassi del mercato protratti nel tempo possono ridurre la liquidità nei mercati, rendendo difficile la cessione di attività ed eventualmente causando perdite rilevanti.
- (vi) Cambiamenti significativi dei tassi di interesse potrebbero avere un effetto negativo rilevante sull'utile netto bancario o sulla redditività della Banca.
- (vii) Un sostanziale aumento in nuovi accantonamenti o una diminuzione del livello di accantonamenti precedentemente registrati potrebbe avere un effetto negativo sui risultati operativi e sulla condizione finanziaria della Banca.
- (viii) Le politiche, le procedure e i metodi di gestione del rischio della Banca potranno esporre la Banca stessa a rischi non identificati o imprevisti, che potranno portare a perdite rilevanti.
- (ix) Le strategie di copertura della Banca potrebbero non impedire perdite.
- (x) La Banca potrebbe avere difficoltà nell'identificare ed

- eseguire acquisizioni, che potrebbero danneggiare in modo rilevante i risultati operativi della Banca.
- (xi) L'intensa concorrenza, specialmente sul mercato domestico francese, ove si concentrano principalmente le attività della Banca, potrebbe avere un effetto negativo rilevante sull'utile netto bancario e sulla redditività della Banca.
 - (xii) La posizione concorrenziale della Banca potrebbe essere indebolita ove la sua reputazione venisse danneggiata.
 - (xiii) La Banca è soggetta a un estensivo regime di vigilanza e regolamentare negli Stati in cui opera; azioni di vigilanza e cambiamenti nei regimi di vigilanza potrebbero avere un effetto negativo sulle attività e sui risultati della Banca.
 - (xiv) Un'interruzione o una violazione dei sistemi informativi della Banca potrebbe comportare una perdita di attività o perdite di altro tipo.
 - (xv) Eventi imprevisti possono interrompere l'operatività della Banca e causare perdite rilevanti e costi aggiuntivi.

I seguenti fattori di rischio si riferiscono a BNPP B.V.: BNPP B.V. non è una società operativa. L'esclusiva attività di BNPP B.V. consiste nella raccolta e nel ricevimento di finanziamenti tramite l'emissione di Titoli o altre obbligazioni. BNPP B.V. non ha, e non avrà, altri beni oltre alle commissioni pagabili ad essa, o altri beni acquisiti da essa, in ciascun caso in relazione all'emissione di Titoli o all'assunzione di altre obbligazioni legate di volta in volta al Programma. I ricavi netti provenienti da ciascuna emissione di Titoli emessi dall'Emittente diventeranno parte dei finanziamenti generali di BNPP B.V. BNPP B.V. potrà usare tali ricavi per mantenere le posizioni in determinati Accordi di Copertura. La capacità di BNPP B.V. di adempiere le proprie obbligazioni ai sensi dei Titoli emessi dipenderà dal ricevimento dei pagamenti ai sensi dei relativi Accordi di Copertura. Di conseguenza, BNPP B.V. è esposta alla capacità delle controparti di adempiere alle proprie obbligazioni rispetto a tali Accordi di Copertura.

Fattori di Rischio (Titoli)

Vi sono determinati fattori i quali sono rilevanti ai fini di valutare i rischi legati ai Titoli emessi ai sensi del Programma, ciascuno dei quali potrebbe incidere sul valore e/o la liquidità dei relativi Titoli, compresi:

- (i) **Alto grado di rischio:** i Titoli comportano un alto grado di rischio, che potrà comprendere, tra gli altri, rischi di tassi di interesse, rischi di cambio, rischi di valore temporale e rischi politici. I potenziali acquirenti dei Titoli dovrebbero riconoscere che i loro Titoli potrebbero giungere a scadenza privi di valore.
- (ii) **I Titoli sono Obbligazioni Non Garantite:** i Titoli

costituiscono obbligazioni non subordinate e non assistite da garanzia del relativo Emittente e saranno tutti di pari grado tra loro. Le obbligazioni di BNPP ai sensi delle Garanzie sono obbligazioni di BNPP non subordinate e non assistite da garanzia e avranno pari grado rispetto a tutte le sue altre obbligazioni non subordinate e non assistite da garanzia presenti e future, salvo le disposizioni di volta in volta obbligatorie ai sensi della legge francese.

- (iii) **Rischi relativi al valore temporaneo dei Titoli:** Il valore temporaneo dei Titoli varia con il livello di prezzo del relativo Riferimento Sottostante, così come con una serie di altri fattori intercorrelati.
- (iv) **Alcune Considerazioni riguardo alla Copertura:** potrebbe non essere possibile acquistare o liquidare titoli in un portafoglio ai prezzi utilizzati per calcolare il valore di ciascun relativo Riferimento Sottostante.
- (v) **Effetto di una Riduzione del Rating di Credito:** una eventuale riduzione nel rating comminata da un'agenzia di rating ai titoli di debito in circolazione di BNPP B.V. o di BNPP potrebbe tradursi in una riduzione nel valore di negoziazione dei Titoli.
- (vi) **Fattori di Rischio Aggiuntivi Associati a Titoli legati a Valuta:** le fluttuazioni nei tassi di cambio potranno incidere sul valore dei Titoli legati a Valuta. Gli acquirenti di Titoli legati a Valuta rischiano di perdere il loro intero investimento nel caso in cui i tassi di cambio della relativa valuta non si muovano nella direzione prevista.
- (vii) **Possibile Mancanza di Liquidità dei Titoli sul Mercato Secondario:** una diminuzione nella liquidità di un'emissione di Titoli potrebbe causare un aumento nella volatilità del prezzo di tale emissione di Titoli. Se un'emissione di Titoli diviene illiquida, un investitore potrà dover esercitare (nel caso di Warrants) o aspettare sino al rimborso di tali Titoli per realizzarne il valore.
- (viii) **Potenziati Conflitti di Interessi:** BNPP B.V., BNPP e le società collegate potrebbero intraprendere attività che presentino conflitti di interesse e potrebbero influenzare il prezzo dei Titoli.
- (ix) **Eventi di Turbativa del Mercato:** nel caso in cui si verifici o esista un Evento di Turbativa del Mercato in una data specificata, qualsiasi conseguente rinvio di tale data o disposizione alternativa per la valutazione prevista nei Titoli potrebbero avere un effetto negativo rilevante sul valore e sulla liquidità di tali Titoli e potrebbero avere come risultato il rinvio della relativa Data di Liquidazione o Data di Rimborso.

- (x) **Eventi di Adeguamento:** se un dato Prezzo di Indice/Commodity (i) non viene calcolato e annunciato dallo Sponsor dell'Indice rispetto all'Indice o dalla relativa Borsa rispetto alla Commodity ma viene calcolato e annunciato da uno sponsor o da un ente sostitutivo accettabili, a seconda dei casi, o (ii) viene sostituito da un prezzo sostitutivo consentito dell'indice/commodity, allora in ciascun caso tale prezzo dell'indice/commodity verrà considerato come Prezzo dell'Indice/Commodity. Nel caso in cui si verifichi un Evento di Adeguamento dell'Indice/Commodity, salvo quanto possa essere limitato nel caso di Titoli U.S.:
- (a) il relativo Prezzo di Liquidazione potrà essere calcolato su una base modificata; o
 - (b) i Titoli potranno essere cancellati o rimborsati (“**terminati**”) e l'equo valore di mercato di un Titolo o una Quota sarà pagabile, prendendo in considerazione l'Evento di Adeguamento dell'Indice/Commodity, meno il costo sostenuto dall'Emittente e/o le sue Affiliate per liquidare qualsiasi accordo di copertura sottostante.
- (xi) **Potenziali Eventi di Adeguamento:** nel caso di Titoli Azionari, a seguito della dichiarazione da parte della Società del Paniere o della Società dell'Azione, a seconda dei casi, dei termini di un Potenziale Evento di Adeguamento, potrà essere effettuato un corrispondente adeguamento a una o più disposizioni del Regolamento e/o alle Condizioni Definitive applicabili.
- (xii) **Altri Eventi relativi a Titoli Azionari:** nel caso di Titoli Azionari, ove si verifichi un Evento di Fusione, Offerta Pubblica, Delisting, Nazionalizzazione o Insolvenza in relazione a un'Azione:
- (a) potrà essere effettuato un adeguamento al Regolamento e/o alle Condizioni Definitive applicabili per prendere in considerazione tale evenienza; o
 - (b) i Titoli potranno essere cancellati in tutto o in parte. Si veda il punto (xvi) di seguito per una descrizione del rischio di reinvestimento.
- (xiii) **Eventi di Turbativa della Liquidazione:** nel caso di Titoli con Consegna Materiale, ove si verifichi o esista un Evento di Turbativa della Liquidazione alla data di Liquidazione o alla Data di Rimborso, a seconda dei casi, la liquidazione verrà posticipata sino al successivo Giorno Lavorativo di Liquidazione rispetto al quale non sussista un Evento di Turbativa della Liquidazione. Il relativo Emittente in tali circostanze potrà, salvo in caso di Titoli

U.S., avere inoltre il diritto di pagare il Prezzo di Liquidazione in Contanti della Turbativa invece di consegnare il Bene. Il Prezzo di Liquidazione in Contanti della Turbativa potrà essere inferiore all'equo valore di mercato del Bene e potrà essere pari a zero.

- (xiv) **Opzione di Variare la Liquidazione:** gli Emittenti potranno avere il diritto di variare la liquidazione dei Titoli (i) consegnando o procurando la consegna del Bene invece di effettuare il pagamento dell'Importo di Liquidazione in Contanti alla Data di Liquidazione o, ove applicabile, (ii) effettuando il pagamento dell'Importo di Liquidazione in Contanti alla Data di Liquidazione invece di consegnare o procurare la consegna del Bene.
- (xv) **Opzione di Sostituire Beni o di Pagare l'Importo Alternativo di Liquidazione in Contanti:** gli Emittenti potranno scegliere, nel caso in cui i Beni Rilevanti comprendano beni che non sono liberamente negoziabili, (i) o di sostituire un Bene Sostitutivo con il Bene Rilevante o (ii) di non consegnare o procurare la consegna del Bene o del Bene Sostitutivo, ma invece di effettuare il pagamento dell'Importo di Liquidazione in Contanti Alternativo alla Data di Liquidazione.
- (xvi) **Certificati Soggetti a Rimborso Opzionale o Cancellazione:** una clausola di rimborso opzionale o altra previsione di rimborso anticipato potrebbe tendenzialmente limitare il valore di mercato dei Certificati. Nel caso di Certificati con clausola di rimborso opzionale, prima o durante il periodo in cui il relativo Emittente potrà scegliere di rimborsare tali Certificati, il valore di mercato di tali Certificati non aumenterà sostanzialmente al di sopra del prezzo al quale gli stessi possono essere rimborsati. Le Condizioni Definitive potranno prevedere che i relativi Certificati vengano rimborsati anticipatamente in circostanze specifiche. A seguito di rimborso opzionale o anticipato, un Titolare potrà non essere in grado di reinvestire i ricavi di tale rimborso a un tasso di interesse effettivo allo stesso livello del tasso di interesse al quale i certificati sono stati rimborsati e potrà essere in grado di effettuare tale reinvestimento solo ad un tasso significativamente inferiore. I potenziali investitori dovrebbero considerare il rischio di reinvestimento alla luce degli altri investimenti disponibili in tale momento.
- (xvii) **Interessi Condizionali: potrà non essere pagato alcun Importo di Interesse alla Data di Pagamento degli Interessi:** se un importo di interessi è pagabile rispetto a Certificati, gli investitori potranno non avere

diritto a ricevere alcun importo di interessi alle date rilevanti in alcune specifiche circostanze indicate nelle Condizioni Definitive.

- (xviii) **Interessi legati a un Fattore Rilevante:** il relativo Emittente potrà emettere Certificati con interessi determinati in riferimento a un Fattore Rilevante e/o pagabili in una valuta diversa rispetto alla valuta di denominazione dei Certificati e:
- (a) il prezzo di mercato di tali Certificati potrà essere volatile;
 - (b) il pagamento degli interessi potrà avvenire in un momento o in una valuta differenti rispetto alle attese;
 - (c) un Fattore Rilevante potrà essere soggetto a significative fluttuazioni che potranno non essere correlate a cambiamenti nei tassi di interesse, valute o altri indici;
 - (d) ove l'esposizione a un Fattore Rilevante venga levereggiata in qualsiasi modo, l'effetto dei cambiamenti nel Fattore Rilevante sull'interesse pagabile verrà amplificato; e
 - (e) il momento del verificarsi dei cambiamenti in un Fattore Rilevante potrà incidere sul rendimento effettivo per gli investitori, nonostante il livello medio sia conforme alle attese.
- (xix) **Cadenza delle Date di Osservazione:** importi, formule e altre disposizioni relative ai Titoli potranno essere calcolate con riferimento a specifiche Date di Osservazione, posticipabili nel caso in cui si verifichino determinati eventi. La cadenza di tali date potrà influenzare il valore dei relativi Titoli al punto tale che il Titolare potrà ricevere un Importo di Liquidazione in Contanti, un Importo di Interessi o altra somma altrimenti dovuta sensibilmente inferiori.
- (xx) **Limitata Esposizione al Riferimento Sottostante:** se l'esposizione dei relativi Titoli a uno o più Riferimenti Sottostanti viene limitata o fissata sino a un determinato livello o importo, i relativi Titoli non beneficeranno di alcun aumento del valore di tali Riferimenti Sottostanti oltre tale limite o soglia massima.
- (xxi) **L'Importo Finale di Liquidazione in Contanti o l'Importo di Rimborso Potranno Essere Significativamente Inferiori rispetto al Valore di un Investimento nei Titoli:** ciascun Titolare potrà ricevere un Importo di Liquidazione in Contanti o un Importo di Rimborso e/o la consegna materiale di titoli specificati insieme a somme in contanti per gli arrotondamenti. Il valore complessivo di tali titoli specificati e somme in contanti potrà essere significativamente inferiore rispetto al valore dell'investimento del Titolare nei Titoli rilevanti.

- (xxii) **Informazioni Post-Emissione:** le Condizioni Definitive applicabili potranno specificare che il relativo Emittente non fornisca informazioni post-emissione in relazione al Riferimento Sottostante.
- (xxiii) **Limitazioni all' Esercizio di Warrants:** l'Emittente potrà avere l'opzione di limitare il numero di Warrants esercitabili in una qualsiasi data (diversa dalla data di esercizio finale) al numero massimo specificato nelle Condizioni Definitive e di limitare il numero di Warrants esercitabili da una persona o da un gruppo di persone in tale data.
- (xxiv) **Importo Minimo di Esercizio dei Warrants:** a ciascun titolare potrà essere richiesto di offrire o detenere un numero specifico di Warrants al fine di esercitarli. I Titolari con numero di Warrants inferiore a quello minimo specificato dovranno vendere i propri Warrants o acquistare Warrants aggiuntivi, sostenendo dei costi in ciascun caso, per realizzare il proprio investimento. I Titolari di tali Warrants corrono il rischio che possano esserci delle differenze tra il prezzo di negoziazione di tali Warrants e l'Importo di Liquidazione in Contanti o il Valore di Liquidazione Fisica di tali Warrants.
- (xxv) **Intervallo di Tempo dopo l'Esercizio dei Warrant:** nel caso di esercizio dei Warrants, vi sarà un intervallo di tempo tra il momento in cui un titolare invia le istruzioni di esercizio e il momento in cui viene determinato l'Importo di Liquidazione in Contanti relativo a tale esercizio. L'Importo di Liquidazione in Contanti potrà cambiare in modo significativo durante tale periodo, e tale oscillazione potrebbe far diminuire l'Importo di Liquidazione in Contanti dei relativi Warrants e portarlo ad un valore pari a zero.

Titoli

I Titoli potranno essere emessi come Titoli Indicizzati, Titoli Azionari, Titoli di Debito, Titoli legati a Valuta, Titoli legati a Commodities o qualsiasi altro tipo di warrants o certificato.

Regime fiscale

Ciascun detentore dei Titoli deve pagare tutte le spese specificate relative ai Titoli.

Né l'Emittente né il Garante saranno responsabili o altrimenti obbligati a pagare alcuna imposta, tassa, ritenuta o altro pagamento che derivi dal possesso, dal trasferimento, dall'esercizio o dall'esecuzione di un Titolo e tutti i pagamenti effettuati dal relativo Emittente o Garante saranno effettuati subordinatamente a qualsiasi tassa, imposta, ritenuta o altro pagamento di cui si richieda l'effettuazione, la ritenuta o la deduzione.

Legge applicabile

I Titoli e qualsiasi relativa Garanzia saranno retti dal diritto

inglese o francese come specificato nelle Condizioni Definitive applicabili.